

153
CHALLENGES TO U.S. SECURITY IN THE 1990's

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Challenges to U.S. Security in the...

HEARING
BEFORE THE
SUBCOMMITTEE ON
INTERNATIONAL SECURITY, INTERNATIONAL
ORGANIZATIONS AND HUMAN RIGHTS
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS
SECOND SESSION

MARCH 17, APRIL 21, JUNE 9, JUNE 27,
AND AUGUST 1, 1994

Printed for the use of the Committee on Foreign Affairs



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CHALLENGES TO U.S. SECURITY IN THE 1990's: PROMOTING NEW EUROPEAN REALI- TIES (PART 1)

THURSDAY, MARCH 17, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL SECURITY,
INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 1:10 p.m., in room 2172, Rayburn House Office Building, Hon. Tom Lantos (chairman of the subcommittee) presiding.

Present: Representatives Lantos, Bereuter, Smith.

Mr. LANTOS. The Subcommittee on International Security, International Organizations and Human Rights will come to order.

CHALLENGES TO U.S. SECURITY IN THE 1990'S

Today the subcommittee begins a new series of hearings on the subject of challenges the U.S. security in the 1990's. We have found, much to the surprise and dismay of many of our fellow citizens, that the post-cold war world is neither tranquil nor peaceful nor secure. Nonetheless, I don't think there are any in America or elsewhere who would wish to return to the stability of the cold war. In the changed international conditions, it is essential that we evaluate the challenges to our Nation's security and that we consider the diplomatic and military policies we must adopt in order to meet these challenges.

There are a number of elements that we plan to consider during the course of this set of hearings. Among the challenges that we would like to evaluate are the problems of nuclear proliferation, the changed nature of terrorism, the globalization of crime and narcotics, the future international impact of political developments in Russia and the Republics of the former Soviet Union, and the future role of the United States' security alliances with our European and Asian allies.

Our witness for this series of hearings will include some of our most distinguished scholars, practitioners of diplomacy and policy-makers from previous administrations. Together, they represent a wealth of knowledge and experience that our subcommittee will drawn upon for this series of hearings.

It's appropriate that the series begins with a most distinguished witness, Dr. Zbigniew Brzezinski, former National Security Advisor to the President, currently counselor at the Center for Strategic

and International Studies, and professor of American foreign policy at the School of Advanced International Studies at Johns Hopkins University.

Dr. Brzezinski has brought a unique combination of academic distinction and experience at the top levels of diplomacy, and has served our Nation with extraordinary effectiveness, and we are honored to have him.

I would like to say at the outset that obviously any prepared statement you may have, Dr. Brzezinski, will be included in the record in its entirety.

RUSSIA'S "IMPERIALIST IMPULSE"

We would like to focus initially at least on your outstanding article in the March/April issue of Foreign Affairs entitled, "The Premature Partnership." In that article you criticize the administration's policies toward the former Soviet Union. You called for a new grand strategy to further United States' interests not only in Russia but in the newly independent states and throughout Central and Eastern Europe.

If I understood your argument correctly, you believe the concentration of the administration on efforts to forge a partnership with a democratic Russia under the leadership of Boris Yeltsin is based on naive optimism and historical amnesia. What you are proposing is that we should recognize what you called Russia's imperialist impulse; in other words, that the empire might strike back or might strike again. Specifically, you would seek to counter this impulse by taking a much more balanced approach to the many successor states of the former Soviet Union, and by the gradually expanding NATO to include the Central and Eastern European nations.

Before we give you a chance to make your opening remarks, I would like to call on my good friend and the ranking Republican on the subcommittee, Congressman Bereuter of Nebraska.

Mr. BEREUTER. Thank you very much, Mr. Chairman. I look forward to hearing from our distinguished witness and thank him for making himself available to chair's comments and responding to he questions. I will let him get on with it.

Mr. LANTOS. It's all yours.

STATEMENT OF ZBIGNIEW BRZEZINKSI, COUNSELOR, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES; PROFESSOR OF AMERICAN FOREIGN POLICY AT THE PAUL NITZE SCHOOL OF ADVANCED INTERNATIONAL STUDIES, THE JOHNS HOPKINS UNIVERSITY, WASHINGTON, D.C.

Mr. BRZEZINSKI. Thank you very much, Mr. Chairman. First of all, let me commend you and your colleagues on holding these important and timely hearings. I think we are living at a time in which some serious thought needs to be given to the needed strategic priorities for American global engagement. It is fitting that you should be taking the lead and holding these hearings because of the leadership role that you have played over the years in fashioning a constructive and positive American involvement in the world.

In reflecting on the subject matter of our discussion, I would like to begin by noting that history probably will judge President Bush's

most important foreign policy accomplishment to have been the reunification of Germany within NATO. I emphasize that because that, indeed, is a very major accomplishment which some, at the time when it was sought, claimed was excessive and provocative of Russia. President Bush was right in rejecting that tentative advice, in feeling that expansion of NATO to a reunified Germany would be a contribution to a more stable Europe and a more stable relationship with Russia, as well.

I believe that President Clinton's most important historic legacy could be the shaping of a larger and more secure Europe with the Euro-Atlantic alliance linked in a security partnership with Russia. That, to me, is the challenge and the opportunity that President Clinton faces in regards to what is still the most important strategic engagement of the United States; namely that with Europe and with Eurasia at large.

But to achieve that objective, the objective of a larger and more secure Europe linked in a security partnership with Russia, American policy needs to be guided by a clear strategic focus; we need to be firm and forthright in our public posture; and we need to pursue deliberately designed policies.

Let me just comment very briefly on each of these three requirements. The strategic commitment, in my judgment, ought to involve the consolidation of geopolitical diversity in the space of the Soviet Union. As you have noted, I have recently written more fully on that subject, and my judgment is that the strategic partnership with Russia will only be possible if geopolitical diversity truly endures in the space of the former Soviet Union. If it does not, then there is only one possible consequence: Namely, the restoration of an imperial and, as a consequence also, antidemocratic Russia.

This is why I have argued over and over again that the pursuit of the objective of geopolitical pluralism or diversity in the space of the former Soviet Union is not—I repeat, is not—an anti-Russian policy. It's a policy that, if successful, gives democracy in Russia a real chance, and a democratic Russia is more likely to be a more prosperous Russia, a more modern Russia, and a European Russia. And that ought to be our simple strategic objective.

In seeking it, we ought to be forthright and firm in our public posture. We must be willing to say publicly what our senior officials claim they're saying privately to those in Moscow. We should not be hesitant in saying that expansion of a more secure Europe is our objective, that we intend to pursue it, that this objective is not a matter of drawing new lines in Europe, but of recognizing the new European realities.

I think the President misspoke when he said recently in Moscow that the expansion of NATO would involve drawing a new line. It would not. It would involve recognizing new realities and responding to them affirmatively.

We should also be firm and forthright whenever we hear voices from the East to the effect that we would never be permitted to expand NATO. Minister of Defense Grachev has more than once said that NATO cannot expand without, and I quote, "Russia's consent." We should not hesitate to rebuff that views not just privately but also publicly, because there is a great deal of difference between private reactions and public acquiescence, and public acquiescence

has its own logic and its own consequences. Public silence accompanied by private whispers tends to create a situation in which acquiescence tends to be viewed as the reality and is taken for granted by the other side.

I was struck by the fact that in his appearance before the House International Affairs Committee, the Secretary of State dismissed Minister Grachev's comments as reflecting his own personal point of view, even though President Yeltsin a day later reiterated his opinions in the State of the Soviet Federation speech. I think we should be clear and on the record as to where we stand because the stand that I feel we ought to take is indeed in the interest of Europe and Russia as well.

And thirdly, we should pursue policies deliberately in keeping with the foregoing, and that, I will argue, would involve the following three steps:

We should be willing explicitly to define the criteria for the expansion of NATO. Do so explicitly. And I would suggest that these criteria ought to involve the following: That any would-be additional member of NATO ought to be a stable democracy based on the free-market system and thus qualifying, thereby, for membership into European Union. Indeed, one might argue that membership into the European Union ought to be a concomitant of membership in NATO and vice versa.

Secondly, any would-be candidate to NATO membership should not harbor nor articulate any territorial ambitions against its neighbors. For, understandably, NATO should not become entangled in some local territorial disputes.

And thirdly, it ought to enjoy territorial propinquity to the existing alliance. In other words, NATO cannot be expanded on an ink-blot pattern. It has to expand on the territorily propinquity basis.

Now, with these criteria in mind, I think it becomes clear which countries in the near future would or would not qualify for membership in NATO, and I would say that, at a minimum, three would: Hungary, the Czech Republic, and Poland. But perhaps there are others as well.

Secondly, I believe we should infuse the somewhat vague and indeed, alas, evasive concept of the partnership for peace with a sharper sense of strategic priorities. I do not believe that the partnership for peace would be a viable solution for the security problems in the post-cold war Europe if it remains a formula in which a large number of countries with very different conditions or problems are treated in an identical fashion. I think there is a great deal of difference between the condition and problems of today's Central Europe, and let's say of the Central Asian Republics.

Yet the partnership for peace makes no distinction. It should. It should be infused with a sense of strategic priorities which would be used then to promote within the partnership for peace a coalition of Central European states which would very deliberately enjoy, even within the partnership for peace, a closer link with NATO, and it would be explicitly viewed as candidates for early NATO membership.

A central European coalition for regional security should involve, in my judgment in the first instance, the three states I mentioned, perhaps Slovakia as well, and we should not be timid in stating

that we will use the partnership for peace to advance the membership of these countries in NATO.

Thirdly, we should at the very same time—and this is a very important point—make it clear that it is our intention and desire to reach a treaty of alliance and cooperation between NATO and Russia, to emphasize the proposition that NATO is not in alliance against Russia but is in alliance for regional and continental stability. The expansion of NATO goes hand in hand with the expansion of European union, but it is not aimed against Russia, whom NATO views as an ally in peacekeeping and, indeed, peace enforcing.

This approach also, in my judgment, would eliminate the complicating and disruptive question of whether someday Russia should or should not be a member of NATO. Russian leaders have made it very clear that they view their membership in NATO as transforming NATO into something approximating CSCE. And, indeed, its very size and power would dilute the cohesion of the Euro-Atlantic connection, and it would transform NATO into something much loser, vaguer and, therefore, much less of a security system.

To protect the integrity of NATO, I think we have to have a relationship of cooperation, accommodation and even alliance with Russia, but not envisage out of misguided deference or sensitivity the notion that some day NATO could also have Russia in it, given its coequal nuclear status with the United States and given its trans-continental character.

I believe, Mr. Chairman, that if U.S. policy toward Europe and Russia could be infused with some of the elements that I have outlined, it is possible that within the next 2 years President Clinton would have achieved an accomplishment as significant as the unification of Germany, and a truly lasting historical legacy of which he could be proud and which would enhance the security of post-cold war Europe, and indeed contribute to the closer relationship between Russia and Central Europe as well as America. Thank you.

Mr. LANTOS. Thank you very much, Dr. Brzezinski. Let me begin, if I may, by asking you to give us your interpretation of the recent assertiveness of Russian foreign policy. Some of us have been briefed on the meeting between Secretary Christopher and Foreign Minister Kozyrev in Vladivostok a few days ago. As I understand it, that meeting did not have the routine agenda that other such meetings have, but it was more of a philosophic gathering of these two foreign ministers exploring the new nature of Russian/U.S. relations.

To be specific, in the early post-Soviet period, there was a tremendous degree of cooperation by the Russians. In my view, that was, perhaps, partly motivated or largely motivated by expectations of huge financial assistance. And anticipating sort of a new Marshall Plan—which was naive, perhaps, but was nevertheless their expectation—there was a protracted period during which Russian foreign policy seemed to indicate, tell us what you would like to us do and we will be happy to do it.

This phase has clearly come to an end, and whether in Bosnia or in the Middle East or any number of other spheres, there is a new assertiveness on the part of Russian foreign policy. There is a clear-cut relationship of this assertiveness to the recent par-

liamentary elections, where one of the attacks against Yeltsin and the reformers was that they were too compliant to the wishes of the United States and the West.

And the recent Russian venture into Bosnia is played in Russia as a tremendous victory for Russian diplomacy, victory for their Serbian friends, and the underscoring of what, to them, is obvious that, without Russia, none of these problems can be solved. After being absent from the Middle East for quite some time, there was a sudden reappearance of Russian diplomacy in the Middle East with foreign minister's trip to the region.

But I would like to ask your opinion, Dr. Brzezinski, about whether you view this reassertion of Russian identity, equality, and importance, is to be construed as not a negative or hostile or unfriendly move, but merely a reminder to the United States and to the rest of the world that, in Russia, we are dealing with a great historic power, which is undergoing some very difficult times, but has very little doubt of its reemergence as a major player on the global scene, and is unprepared to have even the hiatus during which it would be viewed as a secondary player.

Mr. BRZEZINSKI. I think your interpretation is very sound, Mr. Chairman. It was almost inevitable that, after the collapse of the Soviet Union, which came so suddenly, there was bound to be a shock, and I think Russian policymakers were, indeed, in a state of shock, and have, perhaps, naive expectations regarding what might follow in terms of Russia's relationship with the United States. I think there was also a kind of historic fascination with America's role—a romantic fascination, perhaps—and that had to be especially since you rightly note that Russia is, indeed, a major power with a sense of pride, with a sense of assertiveness.

That assertiveness, of course, is also strengthened when the peripheries around Russia are weak because the geopolitical vacuum calls for someone to fill it, and then Russia, as the major power in the area, is inclined to fill it.

And that raises perhaps a somewhat different and further question: Namely, that the assertiveness of Russia is not as surprising as the lack of assertiveness on the part of the United States in the wake of the cold war. If we do not respond assertively, but in a positively assertive fashion to the new reality of geopolitical vacuums around Russia, these vacuums are going to be filled by those we do not like, and they will have a negative impact on the quality of the political evolution within Russia itself, strengthening the nationalists, chauvinistic, imperialistic forces.

This is why the new assertiveness in tone and in action by Russia are doing that by a constructively and positively assertive tone from the United States regarding our review of how we feel the context in which Russia finds itself ought to be stabilized.

I do not believe for a minute that it should be our objective to create some coalition of anti-Russian states involving Ukraine or the Central European countries or even the Central Asian countries, but we do have a stake in consolidating these countries. And if they are politically consolidated, at the same time we should be encouraging them to develop positively constructive economic ties with Russia. All of that would create over the longer haul a context in which a more cooperative Russia would become, in fact, our

partner, and hence the response that is needed is a more positive affirmation by us of the strategic design that we are prepared to try to implement.

Mr. LANTOS. Dr. Brzezinski, in the last couple of weeks you organized and hosted a conference with Ukrainian leaders. You and I had the pleasure of having dinner with President Kravchuk and President Shevardnadze of Georgia.

What is your sense of these very important countries, formerly part of the Soviet Union, in terms of U.S. attitudes and actions toward the region?

Mr. BRZEZINSKI. I believe that we have tended to neglect them over the past couple of years, but this neglect is now being gradually corrected. We have come to realize that their survival and relative success is really an important ingredient of our relationship with Russia itself, that if they fail, their failure will contribute to the emergence of a kind of Russia with which we will not be able to have a good a relationship.

Accordingly, we are moving in the direction of giving them greater political support, encouragement not only for their sake alone but for the sake of a more stable and cooperative relationship with Russia. If they are stable, they will be able, over time, to normalize their relationship with their powerful neighbor as well.

But all of that will be a very difficult process because many of these new post-Soviet states emerged very suddenly with little political and historical preparation with formerly Soviet elites now being cast in the role of national elites. They are finding adjustment to that new role difficult, and they find it very difficult to undertake the needed reforms.

And thus, I think we have to conclude that for the X number of years, there is going to be a considerable degree of instability in these new countries, instability which, as of itself, may feed aspirations in Moscow which are counterproductive. This makes it all the more important that we contribute, to the extent that we can, to the stabilization of these countries, to draw them into international cooperation. And in the case of Ukraine, to engage also, to the extent that we can, help from outside, the Ukraine in more Central European cooperative ventures in giving Ukraine a more sense of participation in something outside of CIS.

All of that might help in the long run to gradually stabilize what is bound to be for some time to come a somewhat fluid situation.

Mr. LANTOS. Now, peacekeeping and peacemaking of the multinational nature has suffered a tremendous setback because of the casualties suffered by our forces in Somalia. There has been a profound rethinking of the U.S. role, and a much more demanding set of criteria to meet before the United States participates in international peacekeeping operations.

What I would like to ask you to do is to relate this general trend, if you agree with it, to the problems of peacekeeping in the former Soviet Union's geographic sphere. It seems to me that there are really two basic options:

Option A, which probably would be very satisfactory to the Russians, would be to accept by default the Russian military as the de facto peacekeeping entity within the former Soviet Union. It has

played this role in Georgia, where Russian troops basically restored some degree of order.

Or Option B, to move in a far more desirable direction, a truly multinational peacekeeping operation. This would run into enormous financial obstacles because the rest of the world is unprepared to carry the financial burden of peacekeeping. It would also encounter the unwillingness of countries that would be needed to contribute forces to such peacekeeping operations.

How do you resolve this dilemma? Because if Georgia, for instance, feels that the only way to restore order is to become a de facto Russian protectorate, there being no other option because the West is unprepared to finance or create an international peacekeeping operation, to some extent we will see the reestablishment of the former Soviet Union.

Mr. BRZEZINSKI. I think you're absolutely right. That dilemma we have faced already in the case of Georgia, and it will probably arise in the future with regards to other parts of the former Soviet Union, for example, Moldova, where there is a very serious problem with the Russian Army unilaterally intervening, and perhaps before too long, Crimea, Ukraine and Russia.

Georgia is a good case study of the difficulties involved but also of the need to respond. The U.N. mediator who has been working with the Georgians and the Russians to try to solve their Koza problem, has suggested, with Georgian support, the creation of a U.N. peacekeeping force and its deployment in the Georgian/Kozan region. As I understand it, that force would number about 2,000 men. And under the formula that has been proposed, not more than one-third would come from a single country. That means, for example, specifically that the Russians' share would be, at most, 660.

The Russians have actually accepted that, much to their credit, and I think they should be given credit for that because there are people in Russia who actually want to avoid being dragged into imperialist adventures, and they see the U.N. peacekeeping force as a way of perhaps avoiding that danger.

Much to my surprise, we have been somewhat reticent on this issue. We have dragged our feet, we have been reluctant to approve. President Shevardnadze appealed for that during his very recent visit here. And my understanding is that our position now is changing, and that we now tend to take a more favorable view of that initiative, and apparently we will support it in the United Nations. We are not prepared to deploy U.S. forces, but I think we are prepared to support the idea of a U.N. peacekeeping force and of participating in the financing of it. I view that as a very positive development.

And as illustrative of the evolution and adjustment, that is, in fact, I think, occurring in our policy, even if there was reluctance to make that public and even if there was a reluctance to fit that adjustment evolution into a more explicit strategic framework. But I welcome the change, and I hope it persists because, if we could establish the precedent of U.N. peacekeeping being active in the former CIS, we, in fact, reduce the likelihood of unilateral force by one power being used to resolve problems for the sake of the imperial aspirations of the power, and thereby everybody will benefit.

I would hope that we would use the Georgia precedent, assuming we go through with our inclination to support this, to do the same with Moldova, and then eventually into Tajikistan, and, if necessary, and in cooperation with Russia and the other countries elsewhere if other problems of this sort surface.

[The biographical sketch of Mr. Brzezinski appears in the appendix.]

Mr. LANTOS. I have many more questions, but I would like to turn over to Congressman Bereuter.

Mr. BEREUTER. Thank you very much, Mr. Chairman, and Dr. Brzezinski, thank you very much for your responses. I have found them very interesting and informative, of course. I would like to pursue about two or three big-picture issues with you.

It does seem like the Clinton administration is trying to more carefully and narrowly define where the United States has a direct national interest in our involvement in world affairs, and that has support among the large number of Americans. It may raise questions, and it may raise concerns as well, so that's why I bring it up.

To some extent it seems that we are saying these crises that have emerged are not directly related to our national interests, and therefore the Clinton administration has been encouraging allied countries to take responsibility for peacekeeping and so on, sometimes country by country and other times multilaterally. There is, indeed, a great deal of support in this world today for more multilateral solutions to security and foreign policy issues.

I noticed, for example, to give you a more extreme recent example, at the most recent meeting of the North Atlantic Assembly, on a narrow vote and over the unanimous objection of the American delegation which spans the political spectrum as our delegates do, there was a resolution passed that NATO could take out of area action only when it was consistent with and formally recognized by the United Nations or the CSCE. In other words, we make ourselves hostage to potential veto in the Security Council or the unanimous view of the members of CSCE before NATO could act out of area. I could understand why Americans were concerned about that undermining of our NATO response.

I'm wondering if you could tell me what you think some of the concerns on the downside might be of enhanced multilateralism and narrowing of the definition of where our national interests will involve our troops, our resources, human and economic.

Mr. BRZEZINSKI. Well, let me try to respond to that as best I can. It's a very complex and elusive issue.

First of all, I do not believe that NATO's right to be engaged is subject to approval either by the CSCE or by the U.N. It is derived from the recognized right of self-defense. And if vital interests are threatened, one has the right to self-defense, and NATO is an alliance of states that state that they share certain common interests that they are prepared jointly to defend. The right of self-defense is still a recognized international right.

Now, where these vital interests arise which might then engage the exercise of that right, well, NATO, of course, involves Europe, and the Euro-Atlantic system underlines the commonality of American/European international security. And hence, within the con-

finances of Europe, I believe, our vital interests are engaged. We have the right to defend them, and the right to self-defense can be invoked.

Secondly and beyond that, the United States has an obvious special interest in the Middle East and Persian Gulf region, not only because of our own vital interests but because of the well being of Europe and the Far East depends on that. And I would say that the use of American power for self-defense, not subject to anyone else's sanction, applies to that region.

Thirdly, the Far East and particularly Japan and Korea and our troop deployments in that region all bespeak of that vital interest.

And then fourth, the Western Hemisphere. Now, you may say that that is a big package already, but it excludes certain parts of the words. It does not involve Africa. It does not involve South Asia. It does not involve a large portion of Eurasia. In these areas, I think multilateral responses would be preferable.

Thus, for example, in reference to our earlier discussion with Congressman Lantos, I would say the conflicts within the CIS, though preferably subject to multilateral peacekeeping, should not involve at this stage American forces. I think it would be wiser not to include American forces, even, for example, in the force that may be projected for Georgia because of Russian sensitivities. I think the Russians would feel awkward if the American troops were somehow or other to be deployed within the space of the former Soviet Union. But troops from other parts of the world could be in the name of the multilateral response sanctioned by the U.N. and CSCE.

So that, very broadly, would be at least my initial step in my answer to your difficult question.

Mr. BEREUTER. Thank you. I think some of the advantages of multilateralism and multilateral institutions are apparent to us all. We have been operating with two very effective ones: The World Bank and IMF, and the new organization that GATT has been evolving into, the World Trade Organization.

What do you think the potential downside concerns that we might have about moving too far toward multilateralism? Can you give me, for example, a first effort and a proscription about elements of sovereignty that we must not lose but that we could lose by overreliance on multilateral mechanisms?

Mr. BRZEZINSKI. I would think, again, as a quick broad stab at an answer, we would not want to give up the capacity for independent decisionmaking when vital national security interests are involved, and these vital national security interests could also be jeopardized by economic actions.

Specifically, for example, the dramatic increase in the value of a centrally needed commodity, an increase which presumably would be motivated not only by financial considerations but might have a political motive to them. I do not think that we would want to yield the right to respond to that to some higher authority than our own national authority.

Mr. BEREUTER. We have seen another sort of big picture element. It seems to me we have seen a greater fracturing of nations into ethnically separate components. Maybe you could call it tribalism without attempting to give it a negative connotation. Slovakia

breaking off from Czechoslovakia. Yesterday I saw an article about Catalanians now pushing more strongly for separatist status of some kind within Spain, intense violence in many parts of Africa breaking down into what is clearly a tribalistic society. And the number of refugees that we have in the world is skyrocketing exponentially.

What do we do, if anything, about this trend? I think you could see some of it in our own country with more emphasis on hyphenated Americans. We see it on the floor of the House. What does this mean for us in longer term?

Mr. BRZEZINSKI. Well, it could mean the fragmentation of that which unites us as Americans, and I believe what unites us as Americans is a shared commitment to certain constitutional values, a sense of joint adventure focused on the future which unites us rather than on the past which divides us, and a shared cultural linguistic identity which brings us together, and that's also very important. If any of that were to be diffused, I think our national unity could be undone.

On the broader level, if we are talking about the whole massive complex issue of migrations, the beginning of the response to that is, of course, to improve the domestic conditions of the countries from which the migrations originate. One of the strong cases for NAFTA was that it would help to improve the conditions in Mexico and perhaps even by spillover effect in Central America at large, thereby mitigating certain trends which, in the longer run, could become disruptive.

But that's, of course, more easily said than done, and I think one of the unfortunate realities of our time is that migrations are going to increase. They are going to be more of a problem, and more and more societies are going to be subjected to ethnic tensions, ethnic conflicts, because of the phenomenon of migration. That would be one of the new realities that we would be facing and are beginning to face on a truly global scale.

Mr. BEREUTER. One of the observations, I think, is once we move toward this greater ethnic or religious purity and the resultant fragmentation of countries, causing out migration, forcing out those people that don't fit that norm, then we have less tolerance within that new state toward their neighbors. You have no mitigating sense of minorities in there which lessens that potential hostility and suspicion about one's neighbors.

Let me ask one more broad picture question. One of the elements that hasn't received much attention under the recent NATO Defense Minister meeting, Partners for Peace, was the creation or the decision to create Combined Joint Task Forces. This would provide an opportunity for our European NATO allies, some or all, to participate in activities that didn't involve the United States or ones which chose not to become involved, like the Canadians.

What are your reactions to the desirability of the combined joint force task which was approved?

Mr. BRZEZINSKI. I like it. It's not only a matter of not necessarily engaging us. It's also a matter of avoiding the need for unanimity in NATO's responses, and perhaps enables NATO to respond on a subregional level on the basis of countries which share a common interest in a particular subregion of Europe without necessarily

having the endorsement and commitment of the entire alliance as such.

It has the effect, I think, of introducing greater flexibility into NATO operations, greater ability to respond to increasingly diversified problems or challenges.

Mr. BEREUTER. Do you have any concerns or reservations about the concept?

Mr. BRZEZINSKI. No.

Mr. BEREUTER. Thank you, Mr. Chairman. I will turn it back over to you.

Mr. SMITH. I don't have any questions.

Mr. LANTOS. Dr. Brzezinski, may I turn to what we have come to call the rogue regimes: Iran, Iraq, North Korea, Libya. Clearly these don't presently represent a direct threat to the United States, but it seems to me they represent a serious indirect threat by creating instability through expansionist plans of their own. Would you mind commenting on any of the four I mentioned, or any others you would care to add to the list like the Sudan, and indicate how, in your view, we most effectively protect our own indirect national security interests from the rogue regimes.

Mr. BRZEZINSKI. I would say that, perhaps rather than defining the threat as indirect, I define their threat as a longer-range threat.

Mr. LANTOS. That's fair.

Mr. BRZEZINSKI. I think they are becoming an increasing problem and they will be more of a problem in the future. The issue is manageable for the time being. I think it runs the risk of becoming unmanageable in the not-too-distant future.

And here, North Korea, unfortunately, is an extremely dangerous test case. We are literally on the brink or maybe over the brink in terms of losing our nonproliferation policy. I think our nonproliferation policy is either being punctured or totally deflated or is about to be.

North Korea, in my opinion, is successfully the nonproliferation policy, the global community and specifically the United States. And if it succeeds, then it establishes a precedent which, without doubt, would be followed by others.

Mr. LANTOS. What's your policy recommendation, then?

Mr. BRZEZINSKI. I would favor a much stronger posture from the very beginning because a stronger posture from the United States in the very beginning would have had a better chance of galvanizing a measure of even reluctant but nonetheless extant support from Japan and South Korea.

And we have done, in a sense, on this issue what we did a year or so ago on the question of Bosnia. We have consulted in the literal meaning of the word consult. We have not led. And there are consultations that involve leadership, but there are also consultations which also involve the abdication of leadership. And our consultations on this issue have been more of the latter than the former. And I think by now it is clear that North Korea is thumbing its nose at us.

Having arrived at where we are at, I think the very least that we should do now is demonstrably strengthen our force deployments in South Korea in order to give credibility to the proposition

that we are committed to the defense of South Korea. And North Korea will gain no blackmail advantage from the successful pursuit of the goal, whatever that goal may be. Because, otherwise, we will not only give an example to others that defiance pays off, but may encourage certain forms of behavior.

The North Koreans, with remarkable skill, have parlayed the notion that they are irresponsible and are a tremendous advantage to themselves because they have intimidated everyone concerned, and they apparently have paralyzed us.

Mr. LANTOS. We have been singularly unsuccessful in persuading other industrial nations not to export very sensitive technology to very irresponsible regimes. You probably have had more experience at the highest levels of dealing with this issue than anyone, and I'm wondering what recommendation would you have for our current policymakers, Dr. Brzezinski, in dealing with our friends and allies on some very simple issues where our unilateral approaches are doomed to failure, yet we are incapable of developing a multi-lateral approach. How do I persuade the Germans, for instance, not to sell things to Iran that will make Iran far more dangerous both to its neighbors and to the larger world community? How do we persuade all of our other friends to do what they ought to do in their own best interests?

Mr. BRZEZINSKI. Mr. Chairman, unfortunately I don't have any magic solution for this. You're right. We try to do that on non-proliferation. Perhaps even placing our relations with some of our key friends at a higher level of risks than other administrations. Germany, France, Brazil, Switzerland and Japan and others would have friction which we felt, perhaps, was necessary to stem the transfer of advanced weapons technology to would-be dangerous countries.

The fact of the matter, however, is we live in a world now which is so globally integrated that the transfer of resources and know how and weapons technology system is very fungible, and it's literally almost impossible to stop.

And therefore, on issues such as nonproliferation or on the broader issue of the acquisition of weapons of destructive capabilities, we would probably gradually have to buttress a very leaky porous policy with more explicit commitments to the security of states for regions that we considered to be vital.

If we can't stop other countries from having power, as for example the acquisition of nuclear weapons, the only other alternative is to try to deter the use of that power, and that means a higher level of commitment. But I'm not quite sure whether at this stage of history the American people or the U.S. Congress is prepared to endorse a higher level of commitment to the security of entire regions, perhaps. Are we prepared to expand the scope of our automatic commitment beyond existing treaty obligations? And yet, if we want to contain rogue countries, we have to be prepared to do that and do that in a credible and tangible fashion.

Right now, for example, with regard to North Korea, if we cannot get Japan and South Korea, not to mention China, to participate in some degree of sustained isolation and pressure on North Korea, then the only other course of action is to beef up the American forces in South Korea, to make it clear to the North Koreans that

their exploitation of the idea that they are irresponsible, therefore dangerous, and therefore should be propitiated is not productive. But you can only do that by some tangible steps and not just words, especially if in the last year or so we have gotten into the habit of making a lot of threats and then not carrying through with them, which, unfortunately, has been the case.

Mr. LANTOS. Let me turn for a minute to Islamic fanaticism as a threat to countries such as Algeria or Egypt. What recommendations would you have for our policymakers in bolstering opposition to the kinds of regimes that could emerge in Algeria and potentially in Egypt that would be more similar to the Iranian regimes than to the ones currently in power?

Mr. BRZEZINSKI. Here again, no single step or single response is going to suffice, but I would begin, first of all, by avoiding getting into a posture in which we tend to identify the world of Islam with the Islamic fundamentalism. We ought to be very judicious in drawing a distinction between the vast majority of Islamic countries and an overwhelming majority of the Islamic believers and Islamic fundamentalists. The latter is a rather isolated narrow phenomenon.

Moreover, fundamental religious commitment need not always be anti-American or anti-Western. In many respects Saudi Arabia is a very religiously traditional country, much more so than, let's say, Qadhafi's Libya or Saddam's Iraq, which are less religiously oriented and yet are more anti-Western.

Moreover, even in some cases an Islamic religiously intense or fanatical regime need not be anti-Western or anti-American. It can expand its force. The Shiite phenomenon that is concentrated in Iran is not the overwhelming reality of the Muslim world.

So I think my point of departure would be to be very careful about generalizations and not to engage in an anti-Islamic posture which tends to become a self-fulfilling prophecy.

Beyond that, in regard to specific countries, Egypt and Algeria come to mind, I think the extent to which we could engage them in internationally productive economic operation, the extent to which we could encourage investment in those countries, to the extent we could encourage birth control in those countries which reduces demographic pressures, we could contribute somewhat to the stabilization of their social situation and perhaps, to some degree, the mitigation of the pressures in the direction of some religious and fanatical political reality emerging.

These issues are going to be resolved in those countries themselves.

Mr. LANTOS. Well, it comes as no surprise to you that some experts predict the unraveling of Algeria in terms of its current regime in the not too distant future.

Mr. BRZEZINSKI. Right.

Mr. LANTOS. And long-term solutions such as the ones you suggest, Dr. Brzezinski, however desirable they are, are really not appropriate for the Algerian crisis.

Is it your view that Algeria is to be written off at this stage, or do you think it is still possible to prevent an aggressively anti-Western regime from emerging there?

Mr. BRZEZINSKI. I don't think it has to be written off. I think the Algerian system, the Algerian regime, has a great deal of historical legitimacy in the eyes of many Algerians. It is derived from the successful revolutionary struggle. The Algerian Army certainly seems to have a considerable degree of cohesion and obvious political influence. So these are the factors which still leave the issue undetermined.

Beyond that, I would say that we are not the country that is in a position to influence how Algerians conduct themselves. France is much more so. And I think I would, to the extent that one can, cooperate with the French if the French desire such cooperation in trying to mitigate some of the dangers of which you so rightly speak.

But the worst thing we could do is to posture ourselves as the principal opponent of fanatical Islam which, to many Muslims, would have appeared as opposition to Islam itself, and that will help Islamic fundamentalists.

Mr. LANTOS. Before asking my next question, let me express my appreciation to Ted Hirsch, Dave Davis, Jo Weber, John Peterson, Dr. Bob King and Mike Ennis for preparing this hearing.

I would like to turn for a minute, and I know you're operating under time constraints and we will finish in just a few moments, to a wide variety of proposals that have been made for the creation of some standing multilateral military capability rapid deployment force under the control of the United Nations Security Council or some perhaps other entity.

What is your general view about the creation of a standby multilateral rapid deployment force?

Mr. BRZEZINSKI. I have some reservations about it. I don't have the sense that there is sufficient political cohesion in the United Nations to justify the maintenance of such a standby force, that perhaps a more sensible approach would be to have countries dedicate certain units for potential employment on an ad-hoc basis for such a force so that they are readily available.

But the creation of a new force at this stage would be premature in relation to the absence of anything approximating a world government, and smacks much of that at a time in history in which it is too early an idea, if anything.

Mr. LANTOS. I certainly agree with you. Congressman Bereuter.

Mr. BEREUTER. One final question for you, Dr. Brzezinski. In your recent Foreign Affairs article you say, "Ukraine's independent existence is a matter of far greater long-range significance than whether Kiev does or does not promptly dismantle its post-Soviet nuclear arsenal."

I would like to know some of your thoughts, at least the most important ones as you see them, about Ukraine's independent existence. Why is that independence so important to the West or the United States?

Mr. BRZEZINSKI. I can almost put it in a nutshell. Without Ukraine, Russia is a very major state, but primarily an ethnic state and a state which can therefore more easily undertake democratization and westernization. If the Ukraine falls, Russia automatically becomes an empire, but with many Ukraine existing and re-

senting in reality an empire that is reliant on force and therefore a coercive empire, likely also to be an aggressive empire.

So I think that there are major international ramifications for this. An independent and separate Ukraine transforms the geopolitical map of Europe, and it creates a more diverse balanced situation in the important part of Europe. This does not mean that Ukraine is hermetically sealed off from Russia. Far from it. My vision in the long range is of the Ukraine and Russia that have a relationship much like Canada and the United States. Political respect, sovereignty, but a great deal of intercourse economically. Indeed, some form of economic association in the spirit of cooperation and mutual respect.

But that requires recognition of the independent status of Ukraine as an enduring reality, and that recognition is very reluctantly forthcoming from most Russian leaders who tend to think of Ukraine as a temporary aberration, as an anomaly that ought to be somehow undone. That creates, in turn, a great deal of insecurity with Ukraine which, in turn, antagonizes the relationship and produces frictions which are potentially destabilizing in that part of the world.

Mr. BEREUTER. That's a very important insight, and I appreciate the fact that I asked you to come forth with the detail on that. Thank you very much.

Thank you, Mr. Chairman.

Mr. LANTOS. If I may, I would like to ask as my final question, one that, in some ways, is as much domestic as it is international. In a few weeks, a number of us will be on the Normandy beaches commemorating the 50th anniversary of the landing at Normandy.

Now, when you look back at that horrendous event called the Second World War, one of the things that strikes you is that in many, many battles, casualties were extraordinary, mind boggling, running into the tens of thousands. We seem to be living in an age where the threshold of pain of the American public to losses is very low. We have seen this in Somalia. We have seen it every day in public utterances from leaders of both political parties. You are perhaps the leading proponent of the view that without a willingness to use force, diplomacy becomes impotent.

How do you deal with this issue of, for instance, NATO being available 23 months ago in the former Yugoslavia as a deterrent and not being used? Vast military power unimaginable in any other period in human history being available for instant deployment in many places, and yet the knowledge that nothing will be done because the threshold of pain has been reduced practically to zero? You mentioned North Korea a few minutes ago. The absurdity of North Korea facing down the United States is a surreal concept.

I know you don't have a silver bullet on this issue, but it must disturb you a great deal as you have seen the phenomenon of an enormously powerful giant incapable of achieving even the most minute goals because of this almost nonexistent threshold of pain. Our society seems to concentrate its threshold of pain purely in terms of military pain, because in terms of domestic violence, in terms of automobile deaths, in terms of tens of thousands of people dying of AIDS or drug overdose or what have you, the pain is very easily borne. But when it comes to seeing a single American soldier

dragged by a Somali mob, the whole country becomes focused and foreign policy turns on a dime.

Mr. BRZEZINSKI. I think you have touched on a terribly complex, almost philosophical, issue. I would try to answer by saying that perhaps the point of departure ought to be the principle that you do not set a bad example. Specifically what I have in mind is this: I think it was a mistake for us after a dozen-and-a-half American soldiers were killed in Somalia for us to announce immediately that we would take our troops out because that, in effect, incites others to do the same.

I think the proper reaction should have been to say that we hal-
lowed the 18 men who died, that we truly deplore their deaths, sympathize with their families, and we honor them for their sacrifice. But at the same time to recall that they volunteered to serve their country, and that the act of volunteering entails their acceptance of risk, and this is the highest price one pays, and that this is understood in a democratic society, that our regret for their deaths is not going to deter us from pursuing the course on which we have embarked, and that we will most vigorously directly and promptly punish those who inflicted these deaths upon us, which would then mean taking some military action to exact truly high cost from those who killed them. That, first of all, would have the effect of discouraging others from doing the same. Secondly, it would signal the fact that we accept as a tragic but necessary reality the fact that, from time to time, people who volunteer to serve their country in battle and to risk their lives may actually have to pay the price of making that decision, because, otherwise, the notion of military service merely means security, good pay, upkeep, but no risk. We are totally destroying the notion of what the purpose of military service entails, but at the same time internationally signaling the proposition that the best way to get the United States out of somewhere is to kill some Americans in uniform. So that is the beginning of my answer.

Now, at the same time, I would say that it is a good feature of our society that we value lives and that we are pained and shocked when this happens. That is a good and healthy reaction, but I think it also behooves our leaders to take a stand that is historically and internationally responsible, and that means doing more or less what I said, to deplore the death, to express sympathy, to honor those who died, to weep together with the bereaved, but to punish those that did it and to indicate that our course of action is not going to be changed by that. On the contrary. Anyone who tries to get us to change our course of action that way is going to pay a very high price for it. That, I think, would be the way that a great power would respond, and I think that would be the way to deter such things from happening.

Mr. LANTOS. I certainly agree with you, and I want to thank you on behalf of the subcommittee for again giving us your time and your wisdom and your insights, and we hope to have the pleasure and honor of having you back.

Mr. BRZEZINSKI. Thank you very much, Mr. Chairman.

Mr. LANTOS. This hearing is adjourned.

[Whereupon, at 2:30 p.m., the subcommittee was adjourned to reconvene at 10 a.m. on Thursday, April 21, 1994.]



CHALLENGES TO U.S. SECURITY IN THE 1990's: BUILDING INSTITUTIONS IN THE NEW EUROPE (PART 2)

THURSDAY, APRIL 21, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL SECURITY,
INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:07 a.m., in room 2172, Rayburn House Office Building, Hon. Tom Lantos (chairman of the subcommittee) presiding.

Mr. LANTOS. The Subcommittee on International Organizations, International Security and Human Rights will be in order.

Today the subcommittee will hold the second in our series of hearings on the subject "Challenges to U.S. Security in the 1990s."

We are particularly fortunate to have as our witness my very good friend and our distinguished former Secretary of State, Lawrence Eagleburger. Secretary Eagleburger is a career Foreign Service officer who has served our Nation with extraordinary distinction and effectiveness in a variety of positions in the Department of State and the Department of Defense and at the White House during his illustrious career. Among other positions, he was U.S. Ambassador to Yugoslavia during a critical period, and during the last administration served as Deputy Secretary of State and then as our Secretary of State. I want to welcome Secretary Eagleburger here today.

We have found, as Secretary Eagleburger had predicted, that the post-cold war world is neither tranquil nor peaceful nor secure. Nonetheless, I do not think there is anyone in the United States would wish to return to the stability of the cold war. In these changed, turbulent new international conditions it is critical that from time to time we sit back, take a long view and evaluate the challenges to our Nation's security, and that we consider the diplomatic and military policies that we must adopt in order to meet these new challenges.

As we face the uncertainties of the post-cold war world, there are many challenges to U.S. security, and this subcommittee will evaluate hopefully all of these during the course of our hearings: the threat of nuclear proliferation, the changed nature of terrorism, the globalization of crime and narcotics, the international impact of political developments in Russia and the former Republics of the

former Soviet Union, the future role of the United States in security alliances both with our European and our Asian allies.

THE THREAT FROM THE FORMER YUGOSLAVIA

We also want to deal with the currently most pressing issue, namely, the repercussions of the breakup of the former Yugoslavia, particularly in Bosnia. I am personally very grateful that Secretary Eagleburger has agreed to accept my invitation again and to think out loud with me and others on these issues facing the country.

Mr. Secretary, we are honored and delighted to have you. You may proceed with any opening comments you would care to make, and then we can move from issue to issue at your leisure.

STATEMENT OF HON. LAWRENCE EAGLEBURGER, FORMER SECRETARY OF STATE

Mr. EAGLEBURGER. Thank you, Mr. Chairman. I apologize for not having a prepared statement. Dean Acheson once described another Secretary of State as not knowing what he thought until he said it, and we will see whether that is not the case with me this morning.

It is a pleasure to be here and I say that and I mean it. I have noticed that most people when they come to testify will always start out by saying they are pleased to be there or honored. I never said that when I was in office, because most of the time I was not pleased to be there. But in this case I am, because I think what you are doing is terribly important in terms of trying to get us all to think about where we are going and what we ought to be doing.

In fact, back to this question of being pleased to be there, I was amused to see that when all of the gurus of the tobacco industry were being eviscerated last week by Congressman Waxman they all started out by talking about how pleased they were to be there.

But, as I say, in this case I really am, because I think what you are doing, and I think there is too little of this in Washington and around the country, is trying to force us all to think about where we are and where we ought to be going. And I think it is that that at this stage is terribly important, because I happen to believe, myself, at least that we are now in the post-cold war era in a revolutionary time very similar to the post-French Revolutionary time, post-Napoleonic time.

Certainly I think historians 100 years from now will look back on this as a period of major transition, and how well we conceptualize the transition and where it is we want to go and what it is we want to build will, I think, be terribly important in how history judges us.

And I should start, I think, by saying, and I do not mean this as a pessimistic view, but I think realistically we have to come to the conclusion, based on what we have seen since the end of the cold war, that we are in and will be for some time a period of substantial instability globally, and it is an instability that in many ways is much harder to think through and deal with than was the period of the cold war, where we always had parameters against which the foreign policy decision-maker could form his judgments—namely, how it would affect the balance of power between the Soviet Union and the United States. That is no longer the case.

So that when we look at a Bosnia or at the future of the relationship with Russia, any number of issues, we have to deal with them and judge them on a different set of criteria than was the case in the past.

And we need to recognize, I think, that international institutions are not available to us to deal with some of these very serious problems in ways they were in the past. And you have suggested a number of different places where we ought to be looking at these questions.

Let me just take one as an example of what I mean which is the question of the proliferation of weapons of mass destruction. And we are now engaged, I think, in a foreign policy issue, namely the issue of nuclear weapons in North Korea, which is as important a foreign policy issue as we face. And it is not for me necessarily to say what we ought to do about it, but it is to say that how we deal with that issue is going to make a lot of difference on the question of proliferation in the future.

And let me make the point in a different way.

We are faced in the case of the North Korea nuclear weapons issue with the problem of basically trying to deal with this unilaterally. The United States is in the lead, trying to support the IAEA in getting in and doing some investigation there when it ought to be fairly clear now, as time has gone on, that in fact the international community and the United States and anybody else who is interested in the subject does not really have the leverage or the means to deal with the issue if the North Koreans decide they do not want to let us inspect.

What does that tell me?

It tells me at least that as we think about how to deal with the question of proliferation in the future we need to be thinking about the kinds of institutions, international institutions preferably, that can be created over time and given adequate authority and force to begin to deal with these issues.

Now, when I say this, I recognize completely that this runs against a whole series of problems, not the least of which is the issue of sovereignty. Because if we are going to create an institution and give it teeth that can in fact inspect and decide whether somebody is violating the rules of the game, it means amongst other things that they have to be able to inspect our own facilities here in the United States.

So I do not deny at all that this is a difficult problem to get your mind around and to think about where you want to go but the fact of the matter is in my judgment the question of the proliferation of weapons of mass destruction over the course of the next decades is going to be one of the most important issues we have to find ways to deal with.

And it is fairly clear to me at this stage that the institutions do not exist to begin to cope with that issue in any way other than we are now trying to deal with it in the North Korean case. And we all recognize that it could lead to war with North Korea and under any set of circumstances could be a very unpleasant time before we are able to deal with the issue, if at all, and I have serious questions whether in fact we will be able to deal with it before the

North Koreans themselves have developed a weapon and have it in their possession.

If they do accomplish that, one has to ask what the world and particularly the Pacific is going to look like some years from now and I find it difficult to imagine, for example, that Japan can sit by with a North Korea that is nuclear armed for any period of time and not themselves decide that they have to build a nuclear weapon.

My point here again is the proliferation issue is terribly important. If it is not dealt with, it simply guarantees the continuation of other countries deciding they must also be nuclear armed and we do not have institutions to deal with it.

Now, I can suggest some possibilities but my point is that in trying to create those institutions to deal with it we have a great deal of education to do of ourselves and others before we are even close to coming to grips with what in fact the institution ought to look like.

I think myself, revolutionary as this may sound or as foolish as this may sound, that until the international community has developed an international institution with teeth and with the ability to use force if necessary to carry out its writ we are not going to be able to deal very effectively with the question of proliferation. And that therefore as one example of the kind of world into which we are going, one of the things that all of us in the West and particularly in the U.S. need to think about is what kind of an institution or what kind of a mechanism can be created that can deal more effectively with this question than is now the case because I do not think the instrument now exists and I think the debate that goes back and forth between ourselves and the North Koreans, as an example, demonstrates the inability to deal with this in any very effective way.

Nor do I believe it ought to be the United States in the end that has to be the major mover in trying to deal with this issue. But for the moment and for some time to come, that clearly seems to me the way it is going to have to be managed. And I think that has got to change.

That is just one example of what I am talking about when I say that we are in a revolutionary period. And when we think about the future we need to think about the fact that in many ways as we have come out of the cold war we find that we are in a situation in which the institutions to deal with the challenges we will face are not there.

In my judgment, a British, French or German diplomat of 1900 could understand the world into which we have moved in some ways better than we do, because in some ways it is a world that is very reminiscent in fact of the close of the last century and the beginning of this century, particularly with regard to the question of nationalism, which has been the plague of the Western world for the last 200 years and which is again with us in spades right now.

It is clearly at the heart of many of the problems in Yugoslavia. It is, I think, clearly a part of the problem with what was the Soviet Union in terms of those Republics that have left that association and are now independent.

The nationalist issue is going to also be with us and it is in many ways an irrational issue that cannot be dealt with simply through rational debate. And I think it will be a part of the problem of the instability that we are going to have to deal with over the course of the next several decades. And how to deal with it is not readily obvious to any of us, as the Bosnian case right now demonstrates, which leads to a second point.

If we judge that we are going to have to face Bosnias of one sort or another in the course of the next decades, we need, however you or I may disagree with how we have dealt with this particular question, we need to think about the lessons we should have learned from this case in terms of thinking about how we structure the international community to deal with them in the future.

For example, it is clear to me that if the Western world could have agreed at the early stages of the beginnings of the breakup of Yugoslavia and been prepared collectively to have called the representatives of the various Yugoslav Republics together in more or less a Berlin-type conference and said you can break up but it is going to be against a set of criteria and rules that we are going to impose upon you and if you violate those rules we will act against you, it might well have been possible for the Western world and the international community to have managed the breakup of Yugoslavia in a much more productive way than has been the case.

I can tell you from personal experience the disagreements within the NATO alliance on how to deal with it, the views of whether the breakup of Yugoslavia was dangerous or not were so divergent that it was impossible for us to pull together that kind of a common coalition in the early stages of the breakup.

All right. That is water over the dam. The question now becomes if we are going to face these kinds of questions in the future, what is it we should have learned, what are the lessons that we ought to be thinking about at least, that we can find ways in which to deal with these kinds of questions in the future in a different way?

And each time I ask these questions about any of the issues that are, I think, at the moment extant, I come up with answers which I think by and large do not fit the times and they by and large say that we are going to have to find international collective institutions and solutions to deal with these kinds of problems.

I do not think the world is thinking in that direction now nor do I think they will be institutions that can be easily put together because they will challenge to some degree or another national sovereignty. But it does seem to me that here again whether it is in the U.N. or somewhere else we are going to have to find ways to build the kinds of institutions that permit early decision, common decision and ability to act to try deal with these problems when they are in their infancy, not when they have become full-blown.

In any number of cases, in any number of ways it seems to me that these are the kinds of challenges the world is going to face in the coming decades and they are going to be unpredictable kinds of problems in many cases. They are going to pop up where we least expect them. And they are going to force us to think anew about the kinds of problems we have not had to think about for a long time and therefore it does seem to me—and one of the reasons

I think these kinds of hearings are so useful is to begin to try to identify the problems.

I do not think you can find answers overnight but until we have identified the kinds of problems we are going to face in the next decades and begun to think about them and begun to think about possible solutions, only then can we begin to figure out where it is the United States' foreign policy ought to be trying to lead us over the course of the next 10 or 20 years.

Just to give you one more example, and then I think I will stop, is the whole question of the future of the relationship with Russia and how we ought to be positioning ourselves with regard to that issue. There is a kind of a given out there nowadays that democracies do not fight with each other and I suppose that is true although the Spanish in 1898 might have had a somewhat different view of American democracy in the Spanish-American War. But nevertheless I think generally you can say democracies do not fight with each other. But there is an assumption there that in fact reform is going to succeed in what was the Soviet Union, in Russia, and I think it is more and more clear that that is at least a tenuous conclusion.

I think there are some very serious problems presently in Russia. I think that is obvious to everybody. I think the economy is in serious trouble.

I think it is also clear, however, that divergent views within the body politic within Russia have led to some changes in the way in which even Mr. Yeltsin and Mr. Kozyrev who are clearly reformers have begun to deal with some of their international problems, not least of which is Russian support for the Serbs. And that to me is at least in part a consequence of domestic pressures from the right, what I will call the conservatives.

But what it has done is led to a clear expression of where the United States and Russia, even under the present circumstances of relative friendship, have different points of view with regard to some serious foreign policy questions.

I think we need to understand that that is likely to become more the case rather than less so and particularly if in fact reform does not succeed, however you define success, and we find that Russia is more and more in the hands of—I do not think a Zhirinovskiy although I think he is representative of a trend in Russia but a Rutskoi or whomever it may be, who will be far more conservative and certainly far more confrontational on a whole series of international issues and we will find ourselves not back in the bad old days of the cold war but we will find ourselves facing a much more difficult circumstance in trying to sort our way through cooperation with Russia.

I am not predicting that Yeltsin will not be successful and that reform will not succeed. We all have to hope and pray that it will. But I think it is clear over the course of maybe the least 3 months that the chances of success are not as great as we had hoped.

And I think therefore we need to think about how we posture ourselves with regard to Russia in the future, and that leads me to the final point I would make, which is we are not paying enough attention to building the institutions of reform and democracy and market economics in Central Europe. Particularly Poland, the

Czech Republic and Hungary deserve more support than we are giving them. Not simply because they are reforming but because it is time we understood that we do not need again to be in a position if things go badly in Russia to see that area of Europe threatened again from either East or West.

We need now to be doing as much as we can to strengthen the institutions of democracy and economic reform in those countries so that they are in fact able to stand up against whatever may come to them from the East and, indeed, therefore we need to think hard about how we integrate them more closely into NATO and how the Europeans integrate them more closely into the EC.

I can go on, but all I am really trying to say here, Mr. Chairman, is it is more than time that the foreign policy establishment, whatever it may be in this country, and the administration and the Congress begin to try to identify the kinds of problems that this period of transition is clearly going to create. And begin to identify ways in which we can begin to think about how we will deal with them because at the moment it seems to me we are—and I do not mean this as a criticism of the administration or anybody else—but we are kind of wandering from crisis to crisis without recognizing that this period of transition ought to be used as much as possible to think about what we want our foreign policy to look like 10 or 20 years from now.

Thank you.

Mr. LANTOS. Mr. Secretary, you have stimulated and challenged us in a dozen ways, and I know my distinguished colleagues and I have a number of issues on which we would like to engage you.

Let me begin with what is sort of an overarching issue that you raised. You indicated the need for new institutional arrangements. I would respectfully take issue with that position because it is my humble judgment that what we have lacked in recent years was not appropriate institutions but political will. I would like to begin by dealing with the question of the disintegration of Yugoslavia, the problem of Bosnia and perhaps deal with the question of the breakup of the Soviet Union.

Mr. McCLOSKEY. Would the distinguished chairman yield for just a moment?

Mr. LANTOS. I would be very happy to yield to my friend.

Mr. McCLOSKEY. Thank you, Mr. Chairman. And this is not to interrupt—

Mr. LANTOS. Not at all.

Mr. McCLOSKEY [continuing]. Your conversation and I really do not want to say too much further, I might have a few questions with the Secretary later. But in the context of the issues you are raising, I think everyone in this room should know that the Serbs this morning gave the people of Gorazde until 32 minutes ago—10 our time, 4 p.m. their time—to be out of Gorazde or the place would be leveled, rolled over.

There is such a sense of immediacy about this today I just want your dialogue and people's awareness to be on to that.

Mr. LANTOS. I am very grateful to my friend for bringing this information to our attention. I think this may be the appropriate context for a discussion in terms of institutions versus political will.

There is a point of view in this Congress that certainly a number of us adhere to that the West has failed its first post-cold war test in Yugoslavia, not for any lack of institutions, because it would be difficult to imagine a more effective institution than NATO being developed in the lifetime of any of us since NATO succeeded in preventing the Soviet Union from moving an inch in Europe for two generations, but the failure of political will. This was manifested in the failure to develop a united political position by the great Western powers as you indicated, Mr. Secretary, 2 years ago, a failure that is so heavily responsible for the unfolding tragedy in Gorazde most recently and throughout Bosnia and Croatia earlier.

So I wonder if you would begin by addressing whether it is indeed a need for new international political institutions—whether it is to deal with Yugoslavia or to deal with nuclear proliferation, breakup of the Soviet Union, international terrorism—or whether it is a lack of political will, which in the view of some of us, that accounts for our current difficulties.

Mr. EAGLEBURGER. The trouble is, Mr. Chairman, I think we are both right. I do not argue that there has been a lack of political will in a number of different cases, although we ought to discuss Yugoslavia in that regard. But I think it is also true that political will absent the mechanisms to deal with some of these questions is not going to be sufficient if what we are saying by this is that the political will must be found in most cases, first of all, in the United States, for example, which then takes the lead in trying to deal with the problem.

I do not have any argument with the issue of will. I do say, however, in the world into which we are moving, will absent the institutions or the beginning of the development of the kinds of institutions that permit collective answers to collective problems, it seems to me it leaves you standing on one foot.

All I am really arguing is clearly the question of will is going to be necessary if for no other reason than to begin to define the kinds of institutions that make it possible for that will to be expressed in an effective manner.

So I am not arguing your point about political will other than—and I will come back to this in a second—but other than to say that political will absent some means to then effectively express it makes it much more difficult to deal with the kinds of problems I think we are going to face. And the issue of proliferation of weapons of mass destruction is an example.

That it seems to me cannot be dealt with, no matter what our will may be, it cannot be dealt with effectively if each time we find ourselves trying to deal with it the way we are now trying to deal with the North Korean problem. That we are going to have to find over time the kinds of international institutions with teeth that can in fact act so that it is not simply the United States taking the lead on questions of proliferation. But I do not argue for a minute that the will is going to have to be there.

Now, with regard to the question of Yugoslavia which it seems to me is a classic if nothing else study of the issue of will and institutions and so forth, I do not know how much time you want to spend on it but let me say that in the administration which I was proud to be a part we looked at this question, much to the frustra-

tion of almost all of you sitting up there, as an issue which if we were in fact to deal with it effectively and bring the war to an end would have required substantial use of ground forces.

We do not need to get into it, I am just trying to explain what we thought. We have disagreed on this one before, I do not think we need to spend a lot of time on it. Under those circumstances, it was the judgment of the past administration that our ability to deal with the issue was limited, that the costs of a successful venture to bring the war to an end were too substantial and the consequences too unpredictable and, under those circumstances, we made the choices we made.

This was clearly an issue in the campaign, with the Clinton people taking a different view. After they came into office, and I am familiar with your view because I heard you on the BBC the other day, that it was our failure earlier on that made it impossible for this administration to deal with it, which is a view I can understand but do not necessarily share.

But anyway the administration when it came into office, I think, had to march themselves through some of the same kinds of questions that we had dealt with and I do not mean this here as criticism of what is now going on, although I will tell you I have some serious questions with it, but one of the things we were afraid of and one of the things I worry about now is sort of the incremental application of force in ways which I think leave us all uncertain as to whether or not they will succeed.

Let me simply make the point that one lesson I think I learned in too many years in the U.S. Government is if the United States is going to use force, we ought always to do it with sufficient force to be confident that we will succeed in our message. I worry about that now, Mr. Chairman.

While I would prefer that we had not used force at all, we have crossed that Rubicon and under those circumstances I would like to see us be as forceful as we can be, understanding that under no circumstances do I believe we ought to put ground troops into the situation.

And I am not sure I have answered your question other than to try to get back to the point you made, I do believe, as I indicated, that if at an early stage the members of NATO, forget everybody else, had had a common view of the dangers of the unmanaged breakup of Yugoslavia and a common view of how to deal with it, in fact we could have dealt with it. That common view was not there and that made it at least far more difficult. In the early stages, I will say to you that the Bush administration believed this was fundamentally a European problem. I still believe that but it is also fairly clear that Europe flunked and, under those circumstances, other solutions were going to be necessary.

What I am saying here is that we are going to have to find ways in which those of us who by and large think alike in the Western world can focus on these kinds of problems as they develop at an earlier stage and focus on them collectively.

We did not do that in the case of Yugoslavia and when we did try to do it, it was clear, without trying to name countries, that there were some who had a totally different view of both the con-

sequences of the breakup and the value of avoiding getting involved in the breakup.

Again, my only point is there are lessons to be learned, no matter what you might think about how well the Bosnian case has been handled. There are lessons to be learned and thought about in terms of not letting it happen again.

Mr. LANTOS. Mr. Secretary, I know I have a number of questions that I would like to raise in connection with this, but I want to turn to my two colleagues who have been heavily involved with this issue.

Let me first begin with Congressman Berman.

Mr. BERMAN. Well, thank you, Mr. Chairman. Would it be all right if I yielded on the issue of Yugoslavia and Bosnia to Mr. McCloskey and then came back?

Mr. LANTOS. I would appreciate it, and I think so would my friend, Mr. McCloskey.

Mr. MCCLOSKEY. I am here for the entire conversation, but I thank Mr. Berman's generosity, so in this particular case, I will take it.

Good to see you again, Mr. Eagleburger, and we are good friends. And, as you know, from the bottom of my heart, I always enjoy dialogue with you. And that is not any caveat to say, hey, gotcha, I am going to jump you now, because we are beyond that.

Obviously I am most preoccupied today on the short-term basis with Gorazde. Last night about 6 o'clock I talked personally to the mayor of Gorazde through shortwave radio and phone hookup and without exaggeration, it may be an exaggeration, I never heard shelling and ammo rounds heavier than that in any war movie.

It brings up a suggestive connotation of, you know, there being more shells, missiles and fire of all sorts in the air than there is air. Most poignantly he said, and I think with some sincerity, the West should please come and bomb us, because we are beyond hope right now, but on the other hand he would say please help us, there are still women and children that could be saved in all this.

Now, this morning, talking to Mr. Solatitz in Sarajevo and through other sources, the good information is that the Serbs said everybody out by 10 o'clock this morning our time or we roll over you, we level you.

I talked to President Clinton last night, suggesting a much more immediate concern about Gorazde. He very generously said he would talk to me again today. Naturally, he has National Security Council discussions now about this and I have not had that conversation yet, but what is our immediate responsibility as to Gorazde? What would you do?

I would note this is a safe zone, a safe haven, a safe area or whatever. As I understood it, right now, the U.N. would be authorized to, as much as possible, save and protect those people because I think the word said by all means—the wording was something along the lines, Mr. Chairman, of by all means possible.

Mr. EAGLEBURGER. I will tell you what I think. My only problem here is in the middle of a difficult situation for the administration to sort its way through, I do not want to make life more difficult by being critical, but I guess I have to be. And I have to come back, Congressman McCloskey, to saying I have serious doubts about our

having become involved with the use of force, but that is beside the point right now.

I will tell you I do not think we make a point by dropping four bombs, one of which explodes, two of which are duds and one of which is hung up on somebody's airplane wing. If we are going to use force, we need to make it clear that we intend to use force, and I am inclined to think that—

Mr. McCLOSKEY. Can we tell them to let out or take out Pali today?

Mr. EAGLEBURGER. My point is I do not want to overdo my psychoanalysis of Serbs, because I may in the end prove to be wrong. But my own experience with them and historic experience with them would seem to me would indicate you shove them in a corner, you do not necessarily get the kind of reaction that you might get from some other people under similar circumstances. And to some degree what is going on in Gorazde now I am afraid is an attempt to demonstrate that by God, you are not going to scare us off.

It is outrageous. Karadzic is clearly a liar, but that should not surprise any of us, he has been for years. They have played games with the peace process while taking advantage of that to attack in Gorazde.

My view is that if you are going to use force, which I would prefer we had not started down that road, but if you are going to use force you had better use enough to make it clear that it is going to be very costly for these people to continue the way they are.

Now, what that says, Senator McCain, who was a man of great experience in this regard, has pointed out you cannot be sure you are going to use anything using air power. Having said that, it seems to me that at this stage we ought to be going a good bit further than simply saying we will use tactical air power to protect this safe zone.

And if that means loss of power facilities in Serbia proper or whatever it may mean, I am saying all this, I said the last time I was here it was wonderful not to have to be responsible for what I say, and I understand that it is easy for me now to sit here and say that if you are going to use force that ought to include substantial use of air power against Serbia proper if that is necessary, but that is what I am saying.

If I were still in the government, whether I would have the courage to say it and mean it, I do not know. I think so.

But what I am worried about now is that this incrementalism, in small steps, is one of the reasons that precisely in the past we were not prepared to start down that road. If you are going to use force, use it. Not this little bits and pieces.

Mr. McCLOSKEY. What have we lost as far as our credibility and ability to operate in the world if come 6 o'clock tonight everybody is dead in Gorazde or wounded, ethnically cleansed, crawling to the mountains and dying in the fields?

Mr. Baker even said recently in a conversation that was implicitly critical of the administration, "we do not really have a dog in that fight." There was a column today that says—I forget the name of the *Washington Post* columnist, but he was basically saying I did not want a dog in that fight, we did not have a national security

interest, but with all our representations now we have to take on the Serbs.

Do we have a problem if Gorazde is gone, or is that just one more—

Mr. EAGLEBURGER. We do, NATO does, and the U.N. does. And if you do not think the Kim Il Sungs of this world are drawing conclusions from the way in which we deal with this, then I think you are wrong.

But I am constantly now in the position of saying I wish we were not here, because it is not right to say we do not have a dog in this fight. Of course we do. We have from the beginning. The issue is a judgment on what means you use to try to defend your interests, and we have a disagreement on how that ought to be dealt with. And I am the first to say I would far have preferred never to start down the road of the use of force, but we have done that.

And under those circumstances it seems to me the worst possible outcome is to poke them in the nose and then step back and let them succeed without any further attempts to make it clear that we are not going to tolerate this. And I have a problem with simply limiting our use of force to trying to protect these safe havens. That it seems to me constantly puts you in the position of being on the defensive and reacting to what they do rather than making your point.

Now, I know it is not pleasant to say we ought to start bombing,—

Mr. MCCLOSKEY. It is very pleasant to me.

Mr. EAGLEBURGER [continuing]. But that is the only way in which I think you deal with it.

Mr. MCCLOSKEY. I would just say you are music to my ears, Mr. Eagleburger. You did anticipate my final question, and I appreciate it.

Mr. EAGLEBURGER. Congressman McCloskey, when you and I agree we both ought to worry, but go ahead.

Mr. MCCLOSKEY. Your assertion as to the safe areas, the idea that we would beef up protection of safe areas just prolongs the problem and allows the Serbs to continue to be custodians of Bosnians and extortionists of the West. Even a nonshelled Sarajevo is still a Sarajevo under siege. The people cannot work, they cannot travel, they do not have lives.

So I would just say, Mr. Chairman, I appreciate Mr. Eagleburger's comments so far and I am sensitive about having taken so much time already.

You, Mr. Berman, have been very generous, so I thank you.

Mr. EAGLEBURGER. Can I make one more point here?

Mr. LANTOS. Please.

Mr. EAGLEBURGER. Which is I still worry about the McCain point, which may well be right, which is no matter how much force you use that way from the air it may not succeed in stopping the Serbs. And under those circumstances, it is either now or later on we are still faced with the same question, which is, what do you do next? And since under any circumstances I think it would be insane to put ground troops in the area, I am prepared to concede to you that I do not know whether a really major air campaign would succeed or not. I only know that the sort of piddling little

halfway measures we have now adopted I think are guaranteed not to succeed.

Mr. LANTOS. Before turning to Mr. Berman, if I may just make an observation, Mr. Secretary.

We now have a 2-year history to look back on. No power, no force was used for 2 years and this is where it got us. So I am unimpressed by Senator McCain's approach to this particular international crisis, the breakup of Yugoslavia, because de facto until a couple of weeks ago the McCain formula was used. No physical force was used against the Serbs, and this is where a diplomacy without the use of force got us.

Yesterday, as you know, Senator McCain and I debated this on Crossfire. I wish my good friend John would be here to defend his position. I hope one of my colleagues will. But the McCain approach is no longer one theoretical option that could have worked. It was one practical approach that palpably did not work.

We have the nightmare at Gorazde. We have the nightmare in Bosnia and large parts of Croatia, where we see where the lack of use of force leads us.

Now, I was—please——

Mr. EAGLEBURGER. If you are going to shift the subject——

Mr. LANTOS. No, no. I was just going to——

Mr. EAGLEBURGER. When you finish, I would like to comment.

Mr. LANTOS. Right. I just would like to raise what I think is an appropriate point.

As you will recall, for well-known historical reasons the Europeans were profoundly divided. You know better than any of us how badly divided they were because you served as Deputy Secretary and Secretary of State at the time and you must have been enormously frustrated by our inability to persuade the French and the British and the Germans to reconcile their differing positions.

But having seen European division, it seems to me and it seemed to me at the time that it was our responsibility to move in NATO for the massive threat of the use of air power to persuade Karadzic, Milosovich, whoever, that that what we have seen since was unacceptable. The sanction we put on the Serbian economy, the embargo, was a very wise move and I personally want to commend you for it, because you were the architect of it, and it has been enormously effective.

Mr. EAGLEBURGER. We ought not take it off.

Mr. LANTOS. Not only ought not we to take it off, we should strengthen it and tighten it, and that is what yesterday President Clinton said. So we are in full agreement on the economic sanctions against Serbia.

But the notion that diplomacy without the credible threat of force, or if necessary the massive use of force, does not work has again been proven to be the case in Yugoslavia. I fully agree with you that gradualist, minimal, tentative, hesitant use of military force is doomed to failure, that there is no way to prevail in Bosnia or elsewhere if we approach it in a tentative and timid and symbolic fashion.

I will be happy to yield the floor to my friend from California, but first, you will have a comment.

Mr. EAGLEBURGER. Before your friend from California has at me, I would like to come back to the point you were making, because I have a real disagreement with you, Mr. Chairman.

I do not argue from the perspective you just put forward, I do not argue at all with what you said, namely, failure to use force did not succeed in ending the war or bringing about some sort of peaceful settlement.

But where we came at this and where I still—the point from which I still come at it is not we must under any circumstances end this conflict. It was rather if you embark upon the use of force, do you know the consequences of having taken that step, do you know how far you will be prepared to go, do you know what it leads you into next if at stage one it does not work?

And our concern was and my concern still is that once you have decided on the use of force unless you are prepared to say in the end we will do whatever is necessary to bring this war to an end, you have started down a track where you cannot be confident that you will succeed and at some point if you do not succeed since if you have put the limit on that I have placed and which I do not think you would disagree with, namely, we will not put ground forces on the ground to try to stop this war——

Mr. LANTOS. I would fully agree with that.

Mr. EAGLEBURGER. At some point you have to say to yourself there are limits as to how far we are prepared to go in applying force. They may not succeed and if that becomes the case at some point you have to stop and say, well, we did not succeed or you get drawn into this mess and when you reach the point that you should stop you are so engaged that you go on beyond the point where you should stop.

And I do not compare this with Vietnam but I will say it is the failure to understand when we had become too committed and had continued the commitment that led us into some very difficult times.

Now, this is not Vietnam, but my point is not—coming from where you come from to begin with, which is we must stop this thing, I understand your argument. Please understand that in our case as we looked at it the issue was not that, it was if we begin to use force where does it lead us and the consequences. Since we were not clear on the consequences of the use of force or we knew that there was a limit to how much we were prepared to do, unlike in the Iraq case where the President made clear he was prepared to do whatever was necessary to win, under those circumstances when you are ambivalent about how far you will go with the use of force it is, I think, much more difficult to make the choice to us force. And that is what we decided not to do.

Now, having said that, that is past. We have now decided to use it. Once you decide and we know what the limit is, which is air power and nothing else, then, all right, do it. But remember in this sense that McCain is right when he says in his judgment air power alone is not likely to achieve the conclusion we want.

Mr. BERMAN. He is right or he might be right?

Mr. EAGLEBURGER. He may be right. Well, certainly from his previous experience, it did not work. That does not mean it will not but, again, if you do not know where you are going to end up, then

you had better be very careful about beginning to use force in the first place.

Mr. LANTOS. The only observation I would make before turning over the mike to my colleague from California is that we are in full accord on not using U.S. ground forces for a whole lot of very good reasons.

Where one would stop I would have argued, I did argue and I continue to argue is at the destruction of the military infrastructure of the Serbs.

Mr. EAGLEBURGER. I will even go farther than that, the civilian infrastructure. Now you have done it, do it.

Mr. LANTOS. And I personally believe that there comes a price in destroying infrastructure at an infinitely lower cost to human lives. We have now lost 200,000 innocent human beings.

We could have done enormous damage to Serbia at a tiny, tiny, tiny fraction of the loss in human lives which in my judgment, and this is debatable, would have persuaded Milosovich, Karadzic, Lotvich, whoever could be in charge, that the price is simply not worth it.

We have not raised the ante for them. I mean, the military action of 10 days ago was pathetic. It was certainly not a dramatic demonstration of superior air power.

Congressman Berman.

Mr. BERMAN. Well, thank you, Mr. Chairman. This is a very interesting subject. In each of us I think there is this conflict, sort of the conflict between the Woodrow Wilson school and the Henry Kissinger school. And from what I read about the book review—

Mr. EAGLEBURGER. Teddy Roosevelt.

Mr. LANTOS. Teddy Roosevelt.

Mr. BERMAN. Well, I was going to say from what I read about a book review about Kissinger's book there is even a little bit of Wilson in Kissinger.

Mr. EAGLEBURGER. You have probably now upset him for the next 2 weeks, but go ahead.

Mr. BERMAN. The thing that gets me mad and what upsets me and distresses me and what motivates me to action concerning the ideals that I want to see versus what is practical, what we can achieve, I feel that you, meaning not you, Secretary Eagleburger, because you actually said something very different, but the administration for which you worked, in the context of whipping us up for the Gulf War oversold by 1,000 times and conned me into thinking that if the practical hard-headed realpolitik people who do not know anything about the problems of America but know the world and the relationships of power and how to handle foreign policy think that this is the time where we cross from the most sort of calculated wing of interest to the grand scale, the new world order, then all of a sudden people like me start looking at events very differently in terms of what we could achieve. And when you sold the new world order as the consequence of getting involved and then we see the legacy, not the legacy of the war but the reality of what has happened with the end of the cold war and the U.S. leading the coalition effort to stand up to Saddam Hussein and realize that in most of these instances not only has nothing changed but what you privately said to me one evening, that just watch, guys, with

all the benefits of the end of the cold war, new world chaos is a more likely result than new world order, that your individual perspective was a lot more on the mark in some ways than the visions that George Bush was spelling out, that Secretary Baker was articulating when he came before the Foreign Affairs Committee as to what we could expect. Not to say that the Gulf War was wrong, that I have any regrets whatsoever in supporting it. It is just you oversold us generally on what could be achieved by a united U.S.-led world leadership committed to pluralism and democracy and the use of force when necessary to stop the bad guys.

And so some of the anger that comes at this time as we watch what has happened in Bosnia, and the frustration, over North Korea and even what is happening in China I think comes from having our sights set too high and the frustrations of seeing that it was not quite that easy.

That is a long, rambling comment, but in the end you talked about these international institutions, and if you analogize this to labor relationships, collective bargaining means nothing unless there is a right to strike, which you could analogize to the use of force except in a world of different structures where you have compulsory arbitration, a fundamental respect for a process that makes decisions and everybody agrees beforehand to accept what the result is, whether it is favorable to them or not.

How possibly do you see in this particular world us ever getting in our lifetimes into the stage where there are meaningful international institutions that are going to deal with these incredibly complicated issues that you have spoken to in your earlier comments?

Mr. EAGLEBURGER. I think it is very tough to imagine it happening. That does not mean we should not imagine it and we should not talk about it. And I have great reluctance to argue that in cases other than clearly identifiable ones that are very dangerous in terms of their consequences over the course of the next decade, which I think proliferation of weapons of mass destruction is one, I am certainly not arguing for a U.N. or whatever it is that is a supernational body. I am saying as you identify specific kinds of very dangerous problems, and proliferation is one of those, it seems to me that we need to begin to think about how we will deal with those institutionally and I can see no other answer than to say it seems to me in the future we are going to have to have an institution with some international clout that is in fact affecting sovereignty. Whether we can ever get there or not, Congressman Berman, I do not know. And maybe there is another answer to it but I do not know what it is.

Mr. BERMAN. If the countries of the United States, Great Britain, France, Germany, and Japan, who have quite a bit in common, cannot figure out how to continue in the wake of the end of the cold war, how can some institutional arrangement be designed to deal with the various kinds of technologies and weapons that could be transferred to Third World countries interested in developing their own capability to produce weapons of mass destruction? I mean, at the most simple level, if the closest allied countries cannot handle this action, it is very hard to—

Mr. EAGLEBURGER. They have not done it so far.

Mr. BERMAN. That is what I am saying. It is very hard to understand how you can get—

Mr. EAGLEBURGER. It may not be possible, but it is precisely because we have not found an answer. I am simply saying to you if there is a problem out there for all of us that is one horrendous problem it is the proliferation of weapons of mass destruction of which the North Korean case right now is just one small example.

Mr. BERMAN. I agree with you completely.

Mr. EAGLEBURGER. And it is clear to me that we do not now know how to deal with these questions.

But maybe there is another answer. All I am saying is it seems to me we are going to have to start talking now, recognizing how difficult it is going to be to create, we are going to have to start talking now about what kinds of institutions may be possible to deal with it or what other answer there is.

Mr. BERMAN. My final two questions, and then I will not say another thing, are, one, with respect to China, assuming a broader agenda than just human rights but particularly what you have mentioned several time as a critical issue, the spread of weapons of mass destruction, do you think MFN could be useful or, of all the tools available, may be the most useful?

Mr. EAGLEBURGER. I think it is totally not useful. It is crazy to think that we are going to affect Chinese conduct on this or any other issue by denying them MFN.

Mr. BERMAN. All right.

Mr. EAGLEBURGER. I mean, is that clear enough?

Mr. BERMAN. Yes, it is quite clear. But explain why the one measure that to a country that has this massive positive balance of trade with us doing something which makes their exports to us much more expensive and therefore less competitive, why that is such a totally useless tool if economics is so much a motivator of action.

And then my last question, what did they mean by a new world order?

Go ahead.

Mr. EAGLEBURGER. Well, I wanted to get to the question of—you are clobbering us on new world order anyway, but let me save that until after I get through China.

Mr. BERMAN. Okay.

Mr. EAGLEBURGER. And the only way I can answer the MFN issue, Congressman Berman, is by starting at a different point.

If we care about a China that is moving toward a more democratic system and toward a market economy, it seems to me insane to close them off from the West. It is because of the fact that they have been dealing with us and trading with us for the last 10 or however many years in my judgment and because students have been coming here, because we have had an open relationship with them, that China has in fact changed.

It has not changed enough to make us all happy by any means but it certainly is not the China of 10 or 15 years ago. I will go so far as to say to you that Tiananmen Square in its own peculiar way is a demonstration of the success of Western policy in the sense that those kids that got out there and carried the model of the Statue of Liberty and so forth would not have known what it

meant if they had not been exposed to the West. And that the pressures that have come from exposure to the West over time are changing and will continue to change China.

And if you want to stop that kind of change in China, you will close them off beyond which as the President of France made very clear just the other day, as soon as we close them off we have lots of friends in Europe that will pick up as much of the business as they can.

And I understand the frustrations and concerns about human rights and about the way they deal with missile proliferation and so forth and there is no argument at all about dealing with the Chinese in bilateral relationships the way we would anybody else with regard to trying to correct what we see to be their improper behavior.

But cutting off MFN is simply it seems to me moving in precisely the wrong direction. And I would argue with you that there have been substantial changes in China, all of which we ought to have approved of in terms of the way in which it has begun to open up as a society.

And I do not know why having been successful in that process, as successful as we have all been, we now want to turn it on its head and bring it to an end.

Now, I also understand there is a totally different view of the subject. I bear the bruises of too many times having come up here when we were still in office trying to get MFN continued so I know where the other arguments are. I just think in this case that is what we will do when we cut them off, if we do, is to begin to undo 10 or 20 years of very successful dealings with China.

Now, before you attack me on that one, let me go on to your question of the new world order where you gave George Bush a bum rap. You may have gotten all wound up about Iraq and I do not think there was anything wrong in the administration making the point that this was an aggression which should not stand and that to let it stand would in effect be determining a great deal about what the new world order would be.

As far as I know, George Bush never defined what the new world order should be or would be and that it is precisely why this hearing, I think, is useful. Because you cannot define it until you understand what the problems are that we are going to be dealing with. And it seems to me that defining the new world order in terms of what it is we want will take a substantial period of time.

Having said that, it seems to me perfectly within the context of the question of a new world order to understand as I have argued for some years, as you have mentioned, that if you think it is unpleasant now you ain't seen nothing yet. This is going to be a very unpleasant next 10 or 20 years because it is going to be a mess. But what it also means is that we are going to have to make decisions on a wholly different set of criteria than used to be the case, which is why I can argue it was right to go into Iraq, it is wrong to go into Yugoslavia.

And we can have an argument on the subject but I do think you have to decide each one of these on the basis of what it is that is available to you in the way of resources and how much you want to commit.

Mr. BERMAN. I do not disagree. I think with that one event he was not just using words, new world order, he was trying to create—and they got more specific than you have given them credit or discredit for in the context of a world united in a commitment to democracy, a way in which disputes get resolved, in which collective security is used. Yet, we cannot get the allies to agree not to make up our market loss with China.

Mr. EAGLEBURGER. Congressman Berman, and I heard Chairman Lantos on BBC the other day, at some point you guys who are now running the government are going to have to start being responsible for your own decisions. You can blame us for the last 4 years just so long, and it seems to me it is about time you took a big deep breath and said, okay, it is our game now and we are responsible for things that do not work right. I mean, you can only live off the last 4 or 12 years so long, and it is getting a little bit old.

Mr. MCCLOSKEY. This has been a good dialogue.

Thank you, Mr. Berman.

Mr. Smith is recognized.

Mr. SMITH. Thank you very much, Mr. Chairman.

Secretary Eagleburger, welcome to the committee. It is nice to hear you.

Mr. EAGLEBURGER. I am so happy to be here.

Mr. SMITH. We will invite you back next week.

And you often made the case, and did it as well as it could have been done, as to why MFN should be continued for China. I always felt that the administration's view was intellectually honest. You felt, and the President, felt that empowerment and engagement was the way to try to prod change.

I have problems with the Clinton administration, which said all of the right things during the campaign, demonized George Bush, accused him of coddling dictators, and then turned around and now has like the selective bombing, which only gets the opposition in Bosnia more riled up when they feel that it is not going to be followed up with anything.

I was in China in January, with a delegation to discuss human rights, along with some human rights organizations, and I am convinced that gulag labor is still a very serious problem, the MOU, is very weak and enforcement is almost nonexistent.

Coercive population control has gotten worse in the last 2 years. Eugenic policies, while they have not to the best of my knowledge been totally nationalized are going on in various provinces and have been since 1988. Enforced abortion continues unabated.

Religious repression has been stepped up. Asia Watch and other organizations, including Christian Solidarity International have suggested that 1993 was very bad, 1994 is even worse, especially with Li Peng's two new decrees that are seeking to eradicate the house church movement and to crush the Roman Catholic church.

Clinton keeps sending mixed signals. Different people within the administration say we want trade, we want MFN, we want a proportionate response, we want this, that and the other thing.

We do have a vote so I will have to leave shortly, Mr. Eagleburger, but I will be back.

While Bush at least was intellectually honest, my concern is that Mr. Clinton has sent all kinds of mixed signals, and you were just

there or were there recently with Mr. Baker. I was wondering if you could tell us what your feedback from those conversations are, particularly as it relates to the administration.

I was told by several very high-level Chinese officials that MFN was in the bag, that they felt when President Jaimen and President Clinton met in Seattle that there was a meeting of the minds and MFN was a foregone conclusion, notwithstanding the cheap rhetoric that human rights do count, when push comes to shove they get sidetracked.

If you could give us your impressions of those conversations that you had.

Mr. MCCLOSKEY. If you would excuse me, maybe if I could interject, if the gentleman would suspend, we are down to probably less than 5 minutes, Mr. Smith.

Mr. SMITH. Would you wait? I will be back.

Mr. EAGLEBURGER. Yes, I will wait.

Mr. MCCLOSKEY. We will suspend the hearing and we will be back shortly.

[Recess.]

Mr. LANTOS. Mr. Secretary, if I may raise the issue of proliferation in South Asia. The administration is now proposing to sell F-16 aircraft to Pakistan as part of a deal to make them cap their nuclear program and the Deputy Secretary's visit to India and Pakistan just took place. I would be most grateful if you would care to comment on this whole issue.

Mr. EAGLEBURGER. It is a tough one. You have to have a certain sympathy with the Pakistanis, whose principal rival is India, which is nuclear. Having said all of that, I can say from an earlier time when we were in office and we were in fact the ones that decided under the law we had to cut them off, that we were misled for a goodly period of time in terms of what they were trying to do, and I guess the only answer I can give you at this stage, Mr. Chairman, is if in fact we are confident that in return for the sale of the aircraft we will get the commitment and can be assured that the commitment will be carried through on, then I guess I think it is probably worth the effort, because it seems to me we ought to be in a position where we are able to be in dialogue with both the Pakistanis and the Indians.

I say that with a certain degree of reluctance in the sense that once having gone ahead despite our many protestations to the contrary and having in fact been misled by the Pakistanis, much as I would like to see a better relationship between the United States and Pakistan I have a certain visceral reaction to now reversing course.

Having said that, I marginally think it is probably a good idea to try to bring them back onto the reservation.

Mr. LANTOS. Thank you very much. Let us get back to Congressman Smith's question and I do not know if you would like to restate it.

Mr. SMITH. Sure. It had to do, as I think the Secretary knows, with China, your most recent trip, your views, particularly as it relates to the administration, the mixed signal that I think is being sent every day of the week to the PRC.

Mr. EAGLEBURGER. First, you had asked, Congressman Smith, what we heard about it when we were in China as well.

Mr. SMITH. Yes. Correct.

Mr. EAGLEBURGER. And I find it interesting what we did or did not hear, so let me start with that. And I also need to say that Senator Baker and I have a strong view that when we are abroad we do not attack the positions of the U.S. Government, so we never ourselves got into a dialogue with them on the subject. But what is more interesting was in all of our conversations throughout China they never raised it with us. So that in fact we went through the whole trip in China without the issue of MFN coming up.

I do not find that as surprising now after I have thought about it as I did at first. First of all, they know where both Howard Baker and I are on the subject. Secondly, I suspect they were interested in not indicating any particular concern over it, so they did not discuss it. And, thirdly, I had made it clear before we ever left that when it came to a discussion of U.S. Government that we were going to be supportive when we were abroad. So it really never did come up.

Now, having said that, I will also say to you as I said earlier, and this is, I know, where the Chairman and I will disagree, that everywhere we went comparing it with earlier times I had been in China, I found remarkable changes in the direction that I think we ought to want. And one of the things that was most important—and, by the way, I understand everything you said in terms of the things that are not going well.

Mr. SMITH. They are actually getting worse.

Mr. EAGLEBURGER. Yes. But one of the things that was very interesting to me was when we got out of Beijing and started meeting with local authorities, some of whom I think are clearly—and I do not want to mention them publicly and get them in trouble—but some of these people I think are clearly going to be the next generation of leaders of China as such, not just local leaders.

First of all, I was impressed with the fact that most of them did not pay much attention to what Beijing thought to begin with. They were operating on their own to a great degree.

Secondly, the degree—

Mr. LANTOS. May I ask, Mr. Secretary, where you went on this trip?

Mr. EAGLEBURGER. Yes. We were in Shanghai, Guangzhou, Shenzhen as well as Beijing, and so we covered the South and we covered Shanghai and spent a good bit of time particularly in the South, not quite so much in Shanghai.

But the point was in every case there was a great deal more decision-making at the local or provincial level than I thought had been the case in the past. But more important than that, the generation leaders I talked to understood, I think, fairly clearly the kinds of things that were going to have to change in China and many of them relate to precisely the sorts of things you are talking about.

Now, I am not excusing what is going on but what I am saying, and on this I am absolutely as convinced as I can be and I may be proved wrong, but that we have—we, the West in general and the United States in particular, have had a major impact on the way a lot of people of the less than geriatric generation that is run-

ning China now think about a lot of problems and that things I think have changed already in many ways for the better in general, though the problems you raise are there and perhaps more seriously than they were a year ago. But that the next generation of leadership in China and certainly the generation after that are going to be quite different in the way they think about what China ought to be and I think are going to deal with a lot of the questions that concern us now in a different way than the generation that is now governing China.

I have said that too simply because clearly there will be pushing and shoving and it is hard to tell who is going to lead in the next generation. But by and large it seems to me that if you spend some time talking with people outside Beijing who are in authority you cannot help but come away, at least in the areas we visited, you cannot help but come away with a fairly optimistic view of where China will be 10 years from now.

And let me make one other point and I do not mean this as even relevant to MFN but it does seem to me again as we look at what is going to be important to us in the next 10 or 20 years that whether we like it or not China is going to be a major power in the Pacific and, in fact, a global power in the next decades. And under those circumstances, we ought now to be thinking about the kind of relationship we want with China over the longer run.

That does not mean you cannot, if you believe the way you do, act on the MFN issue. But it does mean that as you do that we need to think about how you deal then with the consequences of it if you feel as I do that China is going to be a country that we simply are going to have to find a way to live with as we go into the 21st century.

Mr. SMITH. Do you think it is possible that a dictatorship can continue, may even be strengthened? Because conversation with a lot of people who watch China very carefully here in this country, people that I have met, including many in the dissident community, obviously Princeton University is right near me and there are a number of people who are so close to my district that I do meet with them on occasion and talk to them, I have met with many of the dissidents in Beijing itself, including Wey Shing Shong and others, I have a sense based on all of these conversations, and I could be dead wrong and hopefully I am, that China wants the economic prowess and the quality of life that goes with trade and enhanced trade while simultaneously moving in the opposite direction to retain power.

And the next generation that you speak of, their power would be put at risk if they all of a sudden become democrats with a small D and allow elections and allow liberalizations in terms of human rights, but it seems as if they can have their cake and eat it, too. And then take all of the accolades that go with the enhanced quality of life, look at what we have done, while the repression has gotten worse.

Mr. LANTOS. Before you answer that, Mr. Secretary, may I just follow up one of the thoughts that my friend from New Jersey is dealing with?

It seems to me that Germany in 1939 was light-years ahead in terms of economic development from where China is today or will

be 20 years from now. After all, the reason I asked you where you went, is that the poverty and backwardness of China in the North and in the West has barely changed in the last 25 years. The most optimistic estimates are that about 120 million Chinese are absolutely destitute and are facing a degree of poverty incomprehensible in the West.

So that the hopeful approach, which may have some merit, which assumes that economic development will bring with it political liberalization runs the risk that economic development may just provide the leadership with the means for a greater degree of political and human rights oppression. And while I am not suggesting that will definitely follow, the business community's approach, which I view largely as a cynical approach without any serious conviction in terms of these issues, that economic development will bring about political liberalization is suspect.

In terms of historic experience, we have had many societies with great economic development—for example pre-World War II Japan which was a highly developed society capable of waging a very effective war against the United States in Asia, scoring enormous successes for a protracted period of time, conquering much of Asia—which also preserved a ruthless, totalitarian, bloodthirsty approach to its people.

Mr. EAGLEBURGER. Let me see where I start here now because I cannot argue with you that it is a foregone conclusion that economic development brings—I will not say democracy but liberalization because I want to start, I think, with a point you made which is sure it is possible that an authoritarian regime can be strengthened and in fact remain in power even though there is economic development.

I would say to you, though, however, that it seems to me that if you look at the China of Mao Tse-Tung and look at the China of today, despite all of the problems you have described it is a more open society by a long shot than it was.

I ascribe a lot of that to in fact contact with the West. And, as I said, I think you were out, Mr. Chairman, but as I said, in a strange way Tiananmen Square was a demonstration of the success of Western policy in educating a generation of Chinese students and kids as to what democracy to some degree at least meant.

I think that fermentation is there. I think it is a seed that we ought to be doing our best to encourage to grow and to me that is through contact.

Now, having said all of that, I would also say to you on my own visit, I think, Mr. Chairman, is one thing that is very clearly true, and that is particularly economic development along the coast is phenomenal. You go inland and you find, I think, clearly what you have described which is the farther you get away from the coast, this is a generalization subject to qualification, but the farther you get away from the coast the less you see of economic development and it gets pretty poverty stricken as you go further in.

I would remind you, and this again is not an excuse but it is a description, in Chinese history really you have alternated between two extremes: centralized authoritarian control or warlordism. And one of the things that I think is of concern to even the more moderate Chinese leaders today is this issue of does the country break

up into the sort of warlordism that has been so much a part of Chinese history?

So I think at best I can say to you liberalization will be slow. It will probably follow economic change. And in this sense while I will not argue that it is a given that with economic development political liberalization follows, it does seem to me that you can at least argue that economic improvement makes it more likely that you can achieve political democratization or liberalization over a period of time. I am not saying China becomes a democracy tomorrow morning or indeed in this century. I am saying, I think, that in my judgment the chances—and that is all you can say—the chances are pretty good that politically it has moved and will continue to move in the kinds of directions that we ought to find wholesome and worthwhile. And when you talk to the generation of leaders below those who now rule in Beijing, and even some in Beijing, it seems to me understand this phenomenon and basically support it.

There is strong reason to hope that in fact things are going to get better and that they will be more reasonable in the way they approach some of the very issues that most concern you.

If there is a threat of this being reversed, I suspect, and I am not an expert on the subject, but I suspect it comes from the army more than it does from the political leadership. And I am not saying that that is insignificant. It may in fact prove to be the case.

All I can say is when I look at the various alternative ways of trying to deal with the Chinese phenomenon, with all of the frustrations of it, I come down firmly on a different side than you do because I believe we have ample reason to say that contact has in fact already changed the face of China and that it will continue.

But you are taking your guess either way, and I think it is a perfectly respectable argument on which people can differ as to how you best affect events in China. I feel pretty strongly that I am right, but I am also prepared to concede that only time will tell who is right.

Mr. SMITH. I appreciate your analysis in the long term. In the short term, is it your view that the administration, by sending mixed signals, and they most definitely have; you have seen statements made by people from the Treasury Department, other statements from high-ranking officials in the Department of State, ambassadors, including most recently Ambassador Perkins in Australia, that they are making progress in the realm of human rights? Obviously they may be making substantial economic progress but I think you need to reanalyze your analysis capabilities if you are saying they are making progress in the realm of—

Mr. EAGLEBURGER. Mr. Smith—

Mr. SMITH. Have we missed opportunities? Has the administration missed opportunities to have real gains? Because, again, my feedback that I got when I was over there was that we are not serious. That when push comes to shove, MFN to a large degree if not totally will be regranted.

Mr. EAGLEBURGER. Congressman Smith, I did my best to avoid answering the question, but now I will. And the only reason I did is because, as you all know, I think, I have certain strong political views and I do not want to indicate them. At the same time, I do

not want to get this into a major partisan conflict. But now that you have asked——

Mr. SMITH. The press has all left, so you do not have to worry.

Mr. EAGLEBURGER. No. It is not that, but now that you have asked the question again I will tell you. If I have a criticism, I have lots of them, but if I have a major criticism of this administration's conduct of its foreign relations, in general, it is the indistinctness of the message.

Let us take particularly the Chinese case. And in my view, whether you approach the subject the way I do on MFN or the way you do, Mr. Chairman, I do not understand the process by which we have gotten ourselves into the box I think we are now in.

If you are an ardent advocate of determining our economic relationship with China on the basis of their human rights performance, there are ways to make it clear to the people in Beijing that that is the case without announcing it publicly every 2 days or 2 weeks. And that does not mean you cannot publicly state what your position is.

My sense of things is, however, that the administration has made the case publicly so many times at the same time that they are now, I think, searching for some way out of the situation they have gotten themselves into, that it would have been better if they had been a little less vocal publicly about what it is that is of concern to them.

Because the worst thing we can do, whether it is on Bosnia or North Korea nuclear weapons or MFN or whatever it is, is to send one message and then shift your position when it comes to the time of making the decision.

And, frankly, I must say to you while I hope the administration will in fact decide to continue MFN, I would not want now to have to be the fellow in the administration who rationalizes that decision. The only simple answer that will stay within the rhetoric is to say we are not going to continue MFN. I think that would be a policy disaster but, as I say, I would not want to have to be the guy that would write the explanation as to why they decided to do something else.

Mr. SMITH. Just very briefly, if you could give us your analysis on some of the other raging issues, Rwanda, what you think we ought to be doing there; Haiti, Haiti is obviously an unsettling, worrisome situation; the PLO-Israeli peace process. I mean, these are issues that you have had a tremendous amount of expertise with.

Mr. EAGLEBURGER. I do not know how long you want——

Mr. LANTOS. We will not detain you long, Mr. Secretary.

Mr. EAGLEBURGER. No, no. It is not that. Let me take the last one first because in fact talking when I was out there trying to find a place where I could smoke a cigarette while you were all voting, one of the points that was made to me and absolutely correct, while I think the world is going to be a very unpleasant and nasty place for a while it is also true there have been some real successes, not the least of which is the collapse of the Soviet Union and the end of the cold war.

Another one if you take a look at it is the Western Hemisphere. I mean, if you take a look at Argentina, Chile, what is happening

by and large throughout the Western Hemisphere, you cannot be anything but pleased to see what has developed.

I would say the same even with the dangers now after the assassination of Mr. Collosio, what has happened in Mexico is phenomenal and one can only pray that it continues.

So I do not want to—we ought to spend more time talking about the great successes, of which bipartisan foreign policy in the United States for 50 years led to the collapse of the Soviet Union and led with all of the problems that we will now face, at least the threat of nuclear Armageddon and the constant struggle over who was free and who was not, that has disappeared and we ought to be very proud of all of that.

Now, why did I say all of this? Only because if there is a place interestingly enough that I am still optimistic in what would look like an awful mess it is in the Middle East and I will tell you why. The fact that the PLO and the Government of Israel are still struggling to get this issue settled of how do we move to the first stage of the peace settlement, despite Hamas, despite the slaughter in the mosque, despite all of the challenges of all of the crazies on both sides, both institutional leaderships continue to struggle to bring this issue, the negotiations to a successful conclusion.

What does that say to you?

It ought to say that in both cases these people understand time is not on their side and that this is an issue now that has to be settled. And when Arafat is there and Rabin is there and they are working as hard as they are, I think they will be successful. I would wish it move faster because the longer it takes the more the crazies have a chance to totally disrupt the situation.

Having said that, I think we are on the way to a real change and, God willing, one that over time is going to lead to a quite different situation in the Middle East. And not least of that is in fact the fact that even Syria is in a different situation now and, in part to show you why the end of the cold war makes a difference for the good on occasion, Damascus no longer can look to Moscow for support, reinforcement of its military if they lose a tank and so forth. So they are in a different circumstance now than they were. And it seems to me that there is a real likelihood if we can get this PLO issue moving that in fact there is a change for the Syrian-Israeli side of the equation.

On Haiti, I am totally ambivalent. If I were back in office, I do not know what I would do because we are the ones that put on the sanctions and tightened down and it was, I think, the proper thing to do. But the fact of the matter now is that it is the poor people of Haiti who are paying the price for all of that. The agony that we have created there in trying to do the right thing is pretty substantial and I am inclined to think we are not going to see a successful return of Mr. Aristide to office in Haiti.

Now, does that mean you sort of throw up your hands and say, well, the policy has got to change? It gets me back to the ambivalent message again if you do that.

On the other hand, I think we are now condemned to a situation as long as we stay where we are where we will not succeed and an awful lot of people in Haiti will pay the price and they are the wrong people.

But I do not know that I would have an answer to it. I suspect if I were asked to call the shots I would probably say, okay, this has not worked, we have got to shift. But I would be in lots of trouble when I did that because it is in effect saying we did not succeed in putting the successful winner of the election back in office and that is not a nice message either.

What was the other one?

Mr. SMITH. Rwanda.

Mr. EAGLEBURGER. The killing there has exceeded or at least is as bad if not worse than anything we have seen in Yugoslavia. But my question again even to a greater extent than in the Yugoslavia case is how do you change it?

It is clear the international community is not about, again, to use force in any quantity at all, to go in there and stop these people from killing each other, and my answer therefore is we do the best we can on the edges with humanitarian assistance and so forth and do what we can to bring about—and I hate this when people say it—a diplomatic solution. A diplomatic solution in this case, and you pointed out diplomacy without a bayonet behind it if necessary does not usually work.

My answer to you on this one is the slaughter is awful, we ought to do what we can in a humanitarian sense but I do not think there is any likelihood that the outside world is going to be able to have very much influence on these people in their joyful killing of each other.

And in the end, it is a tragedy that we are going to, I think, spend more time watching than being able to do much to affect.

And it leads, if I may say it, and I am back to my point about learning lessons, and I am back to my point about we are going to have to be much more sophisticated in deciding when we want to become involved in the future than we have in the past, because we do not have that reference to the cold war any more to bring us into a decision to do something. Abkhazia, do we become involved? Armenia, Azerbaijan, do we become involved? I could go through a long, long list.

And we are going to have to be much more careful in our judgments as to when to become involved and when not.

And I am not arguing about the Bosnian case now except to say this, Mr. Chairman. You and I both know that if it did not receive the kind of press attention it does, which it should, the push to become involved would become less.

When we decided to do Somalia, it was in part because this was a major public relations issue. I do not want to hide from that, that does not say that there were not perfectly legitimate reasons for deciding we were going to try and save 250,000 people from starving to death but it does say we have got to find a way to become more analytical in when we are and when we are not going to become involved and we are going to have to take the rap when we decide not to.

And in Rwanda and Burundi, you could make a perfectly good argument that from a humanitarian point of view we ought not permit this to continue. You are then faced again with the question of how do you stop it and what are the costs.

Mr. SMITH. In terms of those international organizations or new ones that you were talking about, the growing violence in Africa points out the need, especially with the residual bad feeling of colonialism and the Belgians and others who colonized there that forces that are comprised of troops from those countries obviously would not be very well received.

Do you see any future for a black African U.N. force to try to mitigate these problems so that, again, the excess baggage that goes with the memories of colonialism do not further exacerbate the situation?

Mr. EAGLEBURGER. You have triggered me on another institutional question. Whatever you think about any of the other institutional issues, it does seem to me—and, again, I know right now this is not a popular thing to say but it does seem to me that we ought be thinking very hard about ways in which we can make peacekeeping and eventually peacemaking forces through the U.N. more effective. And without for one minute suggesting we give up Presidential control over our forces or anything of the sort it does seem to me that what we ought to be trying to do now is to get the U.N. to first of all reorganize itself and give them sufficient money to do that and then begin to earmark forces from a number of different countries for possible use if the chief of state decides to do it but let them maneuver together, let them train together. Begin to plan for a black African force that has been well trained that might be used in Africa, begin to think about whether or not we do not want to have available forces earmarked that have trained together and with the right kinds of equipment that can be used between the various national units so that when we do decide to do a peacekeeping operation—and, as I say, someday, it is going to be peacemaking—that they have at least trained together and can be more effective.

And, yes, the answer to your question is it is down the road somewhere but it would seem to me if we do put this together in a sensible way one of the things you would do is begin to take some earmarked units from black Africa, train them together, equip them so that when in fact they can be used, they are ready to be used, that they can be effective.

Part of the problem is that these units come together at the last minute, they do not even have the same command and control or communications equipment, and we all kind of wander around not knowing exactly what it is we are doing. And the role for the United States it seems to me in this operation is much less troops and much more logistical support, airlift, intelligence support, things of that sort, that we ought to be prepared to give to such an operation.

Mr. SMITH. Thank you very much.

Mr. LANTOS. Mr. Secretary, we are deeply grateful both for the generosity of your time and the wisdom of your advice and we hope that you will again be willing to meet with us and share your insights.

Your remarks will be distributed to all members and on behalf of all of us on the Foreign Affairs Committee, I want to express my deep appreciation to you.

Mr. EAGLEBURGER. Mr. Chairman, if you are prepared to be that generous in your comments, I am ready to come back any time.

Mr. LANTOS. It will be a pleasure.

This hearing is adjourned.

[Whereupon, at 12 noon, the subcommittee was adjourned to reconvene at 11 a.m. on Thursday, June 9, 1994.]

CHALLENGES TO U.S. SECURITY IN THE 1990S: BUILDING DOMESTIC SUPPORT FOR FOREIGN POLICY (PART 3)

THURSDAY, JUNE 9, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL SECURITY,
INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS,
Washington, D.C.

The subcommittee met, pursuant to call, at 11:04 a.m. in room 2200, Rayburn House Office Building, Hon. Tom Lantos (chairman of the subcommittee) presiding.

Mr. LANTOS. The Subcommittee on International Security, International Organizations and Human Rights will be in order. Today, the subcommittee will hold the third in our series of hearings on challenges to U.S. security in the 1990's.

To the surprise and dismay of many of our fellow citizens, we have found that the post-cold war world is neither tranquil nor peaceful nor secure. In these changed international conditions, it is essential that we evaluate the challenges to our Nation's security and that we consider the diplomatic and military policies we must adopt in order to meet these challenges.

As we face the uncertainties of the post-cold war world, there are a number of issues that represent a threat to U.S. security which this subcommittee has attempted to evaluate during a series of hearings—the threat of nuclear proliferation, the changing nature of terrorism, the globalization of crime and narcotics, the international impact of political developments in Russia and the Republics of the former Soviet Union, and the future role of U.S. security alliances with our European and Asian allies.

As we meet here, the Congress is considering potential action in Bosnia and potential action with respect to North Korea.

Today, our witness is the Honorable Dante B. Fascell, our most distinguished former colleague and a Member of Congress for 38 years—from 1954 until his unduly early retirement in 1992. During the last 9 years of his outstanding congressional career, Dante Fascell served as Chairman of the Foreign Affairs Committee. It was my privilege and pleasure to spend my congressional career as a Foreign Affairs Committee member under Chairman Fascell's leadership.

During his service, he was instrumental in establishing the Commission on Security and Cooperation in Europe, which he chaired from 1976 until 1985. He was the leader of a number of

interparliamentary groups, including 9 years as chairman of the U.S. delegation to the North Atlantic Assembly.

His contributions to American foreign policy during the course of his many decades of service are extraordinary, and the nation is indeed in his debt.

Before calling on the Chairman, I want to recognize with great pleasure Mrs. Fascell's presence in the hearing room, who has done so much to assist the Chairman in his work in all respects. We are delighted to have you.

Your experience in the Congress, Chairman Fascell, in dealing with the executive branch of our Government and your long background in dealing with the challenges to U.S. security over four decades make you a unique witness. We deeply appreciate your willingness to share your insights with us here today.

Before calling on you, I would like to call on the Ranking Republican, my good friend from Nebraska, Congressman Bereuter, for any opening remarks he cares to make.

Mr. BEREUTER. Thank you very much, Mr. Chairman. Thank you for holding this hearing. It is a distinct personal pleasure to see our former chairman, the distinguished member from Florida, here today. He was the Chairman for almost my entire tenure on the Foreign Affairs Committee. Dante, we miss you very much.

Chairman Fascell was always in the forefront of offering his contributions—very successful contributions to astute, forward-thinking bipartisan foreign policy initiatives and action here in the House of Representatives and the Congress. We miss that leadership.

We hope you are enjoying your life. We know you are making major contributions despite your retirement from the Congress.

It was only this past recess when I had a chance to visit with some of your former interparliamentary colleagues from Canada and Europe and the NATO, North Atlantic Assembly. They miss you very much and asked me to pass on regards to you.

Once again, it is a pleasure to see you and Mrs. Fascell here today. I look forward to your testimony, Chairman Fascell.

Thank you.

Mr. LANTOS. Mr. Chairman, we can proceed with any opening statement you would care to make or get to questions whenever you are ready to do so.

STATEMENT OF HON. DANTE B. FASCELL, FORMER REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA AND FORMER CHAIRMAN, HOUSE COMMITTEE ON FOREIGN AFFAIRS

Mr. FASCELL. Thank you, Mr. Chairman.

Doug, I appreciate your comments very much. I also appreciate the opportunity to discuss with you matters of grave interest.

Let me start out, if I may, with preliminary remarks, and then we will get into whatever discussions you would like to get into.

Mr. LANTOS. Take all the time you need.

Mr. FASCELL. I cannot stress the importance of these kind of hearings—not just because I am here. I am honored to be here; don't misunderstand me—but to have the former Secretaries of State testify, to ask them difficult questions, to get their various

perspectives, to make a record which would not only be a guide for whatever may come up on the floor or on matters that may occur between the Congress and the administration but also to make the historical record, is a very important contribution for policy formulation by our country.

It is like statements in the record. I have had people ask many times, why do you correct your statements? What is all this fuss about the record?

I am sad to say there seems to be a lack of understanding about why we have open galleries, for example. We had a big debate in the House about putting bulletproof glass in front of the galleries. We decided, wisely, we should not do it. It is like letting the television camera into the House chamber. The idea, the concept, of an open democracy is a strong concept. When you have to protect yourself against yourself, you begin to realize that you have some real problems.

So that is one thought that occurs to me about the historical nature of the hearings and their value. It is not only short term in the sense of dealing with the immediacy of the problem but long term in making the historical record.

A historian who comes along 100 years from now will have a little bit easier time setting the ambience within which all of these issues occurred without having to go to the morgue of a newspaper or getting old television tapes. All of those are legitimate means of research, but also a legitimate means of research would be to get the transcripts of the discussions that went on, the differences that existed.

Wishing for bipartisan foreign policy is a wish, I suppose a strategy could be evolved to make that work. There was a time under crisis where bipartisanship just naturally brought the political parties together. Americans have a way of doing that. On the other hand, when they do not perceive that kind of crisis, then it is a free for all. It is unfortunate; but it is the nature of a democratic society.

So I suppose it could be legitimately said today that we have more partisanship in foreign policy than we have ever had in the history of the country. Maybe the American people are more divided on issues than they ever were in the history of the country. Maybe it will take another crisis—I don't know, I hope not—to bring us together.

We do have a tendency in this country for all of us to work very well together usually during a crisis. So bipartisanship is a desirable goal, and both parties ought to work very, very hard to achieve it.

The other thing is people think—a lot of people think the President runs the country. It makes it very difficult to understand in a democratic society that he just runs the executive branch. He doesn't run the Congress—any more than the Speaker does. The Speaker bangs the gavel. He is fortunate to get order only because the members accord him the privilege of being in order and agreeing to work under the rules. Otherwise, he would not have a chance to get order.

So people forget what a democratic society is. We do not have a king. And, you know, sometimes Presidents do think they run the country, but they really do not.

So then the natural question is, who in the world does? A lot of people think the Congress runs the country because we are throwing sand in the gears of the administration or the judicial branch or whatever it is. All we are doing, all of us who are running—we are in the middle of an election. I can say that regardless of whatever time of the year it is, because we run constantly.

And what are we doing? We are reflecting the wishes of our constituents. Otherwise, we would not get elected.

I always got amused at one-termers. I never understood. We have one term now. You run for 2 years. Then you run again. If the people do not like you, then they get rid of you. That is part of the democratic process.

Do the people make foreign policy? You better believe they do. The President has the responsibility. He can carry it out under the Constitution. He is Commander in Chief, too. He can send the troops anywhere he wants to, maybe, one time.

So there is a system at work here that bears on all of these grave issues on which there are legitimate differences of opinion. You pick up any newspaper or look at any vote on the floor—Bosnia is a good example. North Korea is another one.

So what are we talking about? One of the issues we are talking about is proliferation. Nonproliferation is a good concept. It is for us. Nonproliferation. We ought to work like heck to reach the kind of agreements we did with the Soviets to get rid of a whole class of weaponry; biological weaponry—to join and promote effective international compacts to help make it possible so the nations of the world will act to stop the manufacture, storage and use of these weapons.

It is easy for the United States but the other nonnuclear weaponry states can say, "well, that is nice for you, Mr. U.S., but you have a bomb. Now we want one."

So you have Pakistan and India, the Middle East. Then there is North Korea. That brings up the next question. Is the United States going to solve all of these world problems unilaterally? Some people argue: "We are the most powerful nation on the face of the earth. We have the economics, the weaponry, et cetera, et cetera. It is simple. Solve all the problems. Just invade, shoot them, get it over with. Solve the problem." Forget trying to forge an international consensus.

In the short run, that might be a solution to satisfy some folks. But what would you be doing in the long run? I mean, is that in the best interests of the United States in the long run? It really doesn't make any difference whether we are talking about China and MFN or North Korea—and I do not mean to equate the seriousness of the difference there.

But whether it is Bosnia or Rwanda where people insist on killing each other for reasons unknown—you get philosophical again. Why do people insist on killing each other because they have religious differences, geographic differences, family differences, whatever it is? Are we going to invade North Ireland? How far does uni-

lateral determination go in our country's efforts to solve the problem?

Others argue that the United States would be bowing to philosophy if solutions were always sought through the U.N. Most of us would agree that this would not be wise. The U.N. does not have an army. It does not have a President. It does not have a Congress.

So a logical question arises: Should the United States strive toward multilateral arrangements to make the world a better place, and a more secure place for the American people? I think the answer to that clearly is yes. We need to do that.

That does not mean we have to give up our military capability. It does not mean we have to give up our capability of protecting ourselves or taking actions which we deem are absolutely essential for the security of this country. It does not mean we have to put down our gun. I wish we could. But we do not live in that kind of a world.

So do we need two tracks? I think it is clear we have to do both. But we cannot give up one track on international consensus and action because it is imperfect; or we do not have enough votes to obtain a consensus, or because the U.N. has no enforcement power. The whole concept of some kind of international arrangement comes into question. After all, the United States is the largest, the biggest and the best country in the world. So why do we fiddle around with all these other little places? And the answer is that we are looking long range at serious problems that experience has taught us would arise if the United States acts unilaterally in every case.

Do we make progress? Is it measurable? I think the answer clearly is yes. I think U.S. policy in Africa, for example, over a long period of years, despite the zigs and zags and differences and changes in administration, was sound policy: "decolonize, get rid of slavery, apartheid, Africa for the Africans, strive for democracy. Get rid of butchers and dictators" and, hopefully, bring masses of people into a mass peaceful existence.

We have not gotten there yet. We may not get there for the next whatever number of years it took us to get here—10,000, 5,000, whatever. We may not get there in our lifetime. But it is a worthy objective. We—we the people of the United States as leaders—

And we are—we have to be thinking about the future. We cannot just solve our problem today and say, OK, that is it. We will invade Korea, blow up the plant, and that will solve that problem. Go in, get rid of a billion and a half Chinese, get rid of MFN, settle the fight in Rwanda, just kill everybody there, get it over with.

Or do we waste time, quote, unquote, trying to get the parties together to make common sense about what it is we are doing? I cannot think of an issue anywhere on a whole list—and I made a whole list of these—

Iraq with chemical and biological warfare. Pick up the paper. We are concerned about it being used in this last struggle. It is affecting our people. All the more reason we needed the strongest possible regime in stopping the production of chemical and biological weaponry and its storage and its use. We have the capability. We can produce it. The problem is it comes off the shelf, and so can the poorest man, poorest country in the world do the same thing.

We better work as hard as we can, which we have under several administrations now, to change that kind of policy. It does not mean, for example, that we, again, have to give up our military capability. That would be a tragic mistake in my judgment. But we do not have to be the number one arms supplier in the world. Is this a problem confronting us?

Well, if you read recently about the struggle, the competition, that exists between the new Republics, Czech and Slovakia on the arms race, who is going to sell the best tank at the cheapest price in places all over the world to people who need tanks like they need a hole in the head, we can see what our problem is.

Do we solve it legislatively? We tried that in this committee. It is very tough to solve unilaterally legislatively.

Plus the pressure, the sheer pressure of the dollars all over the world. Not just us. I am not castigating our own production people here in this country. But the pressure of the dollars all over the world make it almost impossible to stop arms flowing anywhere, of any kind.

Look at the problem we had with the—what was that Chinese gun that went out on the street—the rapid fire, double, triple quadruple shotgun, whatever it was for 5 bucks? So I think that—

Mr. BERMAN. Maybe we better drop the sanctions on China.

Mr. FASCELL. Well, struggling with all these problems you do the best you can at the time the problem arises on the short term. You have—if you come from California, you see it one way with regard to MFN. If you come from Iowa, Florida, you see it a different way. What is new about that? They are both honest opinions, strongly held.

In every case, the President is going to have to take a balancing act, every single case, never going to be that kind of unanimity in the Congress which would be the dream of every President that I have known of. And so he takes his whipping one way or the other.

Now the real people that run the country are the ones who are analyzing the whipping the President is taking, and all decisions are made in 15 seconds. That is one of the problems that faces this country. It is a real challenge. I joke in a sense, but I am serious also.

Used to be—and I am through, Mr. Chairman, and you guys can fire at me. Used to be in the old days if war was declared or war was won, it would take months to get the message back to the Capitol. I think the battle of New Orleans was over 4 months before the nation's capital realized it was over.

Today, right now, the President is coming out of a briefing with the Cabinet. He walks outside. And the first thing that hits him is a microphone that says, "What are you going to do about blah, blah, blah?" He says, "what is that?" They say, "that is a war in some country he hasn't heard of before." They say, "what are you going to do about that war?" He says, "well, I will think about it, discuss it with the National Security Council, Howard Berman, Tom Lantos and Doug Bereuter; and then contact me tomorrow."

So we are in the same box. You walk down the street. The minute they see you, if they realize you are a politician, bingo, you are supposed to have a 15-second answer to solve the problem. No time for reflection.

So what do we do? We go from crisis to crisis depending upon the headline that exists either on a TV show or the morning newspaper or whatever it is.

Now that is a fact of life. I am not being critical. I am just pointing it out.

The real problem comes, however, the people we are dealing with, our friends, our loved ones, they are doing exactly the same thing. Because they are busy, going to work. Saying, gee, it says here, I just read that, bang, what are you going to do about it?

This is global. This is not just in the United States. We are talking globally. Even that caveman group in the Philippines. They have television and helicopters now and fiberglass telephones.

There is no place to hide anymore. Instantaneous judgments, instantaneous decisions, instantaneous solutions to very complex human problems. That is a real challenge!

So what are we doing to communicate? I notice several things. I have to give the last administration some credit. They tried to rebuild the international section. The administration before that tried to destroy it. We were behind paying our assessments to the U.N. We didn't care about the OAS, right?

The administration, I think they had the international section down to very few people at State, as I recall it. The Assistant Secretary had been sent there with the express orders to dismantle it.

In my judgment, I thought that that was a very, very dangerous move to make, to take us out of the international capability, as limited as it might be for us.

And the other issue is also in Howard's subcommittee. We have been discussing this now for some time. The Chairman pointed that out in his opening remarks: The anticipation or the expectation that democracy would be automatic the minute the Berlin Wall fell and the Communists went into hiding, I guess—I don't know what folks thought.

The Communists are still there. They have not left. They have not gone anywhere. They understand the political process. Maybe they changed their name. Who knows? Have they changed their habits? That is the real question.

After 40 years of communism, can they absorb this entire democratic process that we are talking about in time to avoid a major conflagration that consumes us?

We better keep talking to them hard and fast. Instead of cutting back on USIA, our ability to communicate by radio, television, newspapers, exchanges, every other means, we better keep talking in every possible language we can talk in to explain to people that Americans are pretty decent people. We are normal people. Explain carefully in their language what it is we are trying to do; explain our actions, our policies, and our motives.

I think misreading the need for communication right now is a real challenge for this country, something that commands the direct attention of the President of the United States and the Congress of the United States.

I will be very biased here. As far as I am concerned, I think that the budget of USIA ought to be quadrupled instead of where we are going with it right now which is to push it down, down, down.

So those are some of the challenges that confront us. Within the ambience of this moving from crisis to crisis to crisis every day, that is the way it appears. That is the way it is. It is reported that way accurately—sometimes favorably, sometimes unfavorably.

I close with this story: When I was a freshman in this place, I was lobbied by the Pentagon. Nothing wrong with that. Everybody lobbies. So the way they did it is they invite you to breakfast at the Pentagon. They have a square table. The breakfast table is bigger than this room. They put a General on one side, an Admiral on the other and hang a tank from the ceiling.

So I was duly impressed. My eyes are big, but man, they got bigger. I notice there is some civilian sitting next to me. So I was being polite, making conversation. I said, I am Dante Fascell from Florida. He told me who he was.

I said, what do you do in real life? He said, well, I was international vice president of a major oil company.

I said, "what in the world are you doing in Washington?" He said, "I made all the money I wanted to make; I have done everything." This company operated in 110 countries around the world so I was very much interested in a foreign policy standpoint.

So I said, "how did you get to Washington?" He said, "the President called me up and said"—this was Ike, by the way, President Eisenhower. He said, "the President called me up and said, I need you in Washington. We have to have common-sense businessmen here helping us with the problems of government." He says, "the best place for you to be is the Department of Defense. So I want you to go down and help straighten that mess out."

I replied, "that is wonderful." I said, "you are one of those dollar-a-year guys." He said, "yes." I said, "how are you doing?" He said, "horrible, horrible. Worst job I ever had in my life." He said, "there is no time to plan, no time to think, no strategy, nobody knows what the budget is."

He says, "I haven't solved the crisis that occurred 3 weeks ago. I have three more on my desk this morning." He says, "you know what? We just go from crisis to crisis."

That's government.

Mr. LANTOS. Well, Mr. Chairman, let me say that your distinguished predecessors in this series of hearings, Secretary of State Haig, Secretary of State Eagleburger, Brzezinski, Ambassador Kirkpatrick—

Mr. FASCELL. Have they all testified?

Mr. LANTOS. They have all testified.

Mr. FASCELL. Oh, my gosh. I have to read all of them.

Mr. LANTOS. You have certainly maintained and elevated the level which prior to your appearance has been very high.

Let me begin with a very serious issue, if I may.

Some of us just came back from Normandy. It was an incredibly historic occasion which I know was well covered by television and the media in general, but there was one aspect of it, that I think one had to be there to appreciate. That, of course, is the endless rows of snow white marble crosses and the stars of David in the various military cemeteries where the commemorations occurred.

If one were to ask what is the single biggest difference between foreign policymaking in the decades that you served in Congress and the period right now, I suspect the superficial answer would be that you served during the cold war, and now the cold war is behind us.

But there is another answer which in some ways I think is even more relevant in terms of policymaking today. As one reads about the Second World War, and as those of us who were present at the time so well remember it, we were dealing with an American foreign policy that was prepared to take risks, accept sacrifices and recognize that this is not a cost-free, danger-free world we live in.

The peculiarity of foreign policymaking in the post-cold war world, it seems to me, is the assumption that while everybody says it is a dangerous world, there is an almost total unwillingness to accept costs, risks and sacrifices.

Whether it is the tragic death of 18 individuals in Somalia that make our policy turn around on a dime, whether it is the unwillingness to play a more significant role in the Yugoslav conflict, the one overriding theme, it seems to me—and the President's speech to the United Nations was perhaps the basic document of this—that we have to satisfy ourselves that any move we take will be cost-free and risk-free, that there is a clear exit strategy.

Exit strategy is the new operative phrase of the State Department and the Pentagon. There was no exit strategy when we went into Normandy. There was an entry strategy and the hope that it would work, and that eventually there would be an exit.

I am just wondering if you would care to begin your answers by dealing with this very fundamental issue.

The historian—the leading historian of the Second World War, Kegan, in his brilliant book, describes all the battles. While each battle is different, each battle has an enormous number of casualties—an enormous number of casualties.

We lost 10,000 on D-Day. Whether you look at the movie, *The Longest Day*, or whether you walk the battlefield, the enormous cost involved in all of this is what strikes one.

The President in his speech referred to various individual stories of servicemen who wrote back to their families the day before saying that they hoped to go back and then never went back. A middle-aged lady sitting with us was a little girl just born at the time of D-Day, whose father never saw her—

There is an underlying theme in all of our foreign policy discussions now that the solutions must be cost-free, risk-free, sacrifice-free. I am wondering whether it is realistic for a superpower, however much it cherishes the life of every single individual, to conduct an effective foreign policy where the underlying criterion is dangerous.

Mr. FASCELL. Mr. Chairman, you raised a very important philosophical point that has several aspects to it that occur to me immediately.

First of all, if you have a military—and I certainly do not advocate getting rid of the military establishment in this country. We have to maintain it. We have to be sure in the event we need it that it will be successful. They have to be well-trained, well-equipped, well-paid and understand what their mission is.

Mr. LANTOS. You served with great distinction in the Second World War. You know exactly what I am talking about.

Mr. FASCELL. Well, there were 12.5 million men and women in World War II. I will get to that in a second.

Yes, in the sense that if you have a military and you are going to use it to protect this country, you are going to—you have a risk immediately, the risk of loss of life and economic risk that goes with maintaining a large-scale military operation. No question about that. There is no such thing as risk-free, as long as you have armaments and you intend to use them.

I suppose that you could add here that—and I have read some of the testimony, by the way—the threat of the use of force is a useful tool. But I don't believe in that. If you point the gun, you better be able to pull the trigger or demonstrate your willingness to do more than point. So, anyway, that is one part of the equation.

I am not sure that what is occurring can be laid at the doorstep of the administration, the President or the American people for that matter, even though in the final analysis they make the ultimate judgment.

I am going to recite a little story for a bit of perspective, Tom, if I may.

How long did the British work on us to get us involved in World War II? And why was not the Polish cemetery of 8,000 Polish men and women who died at Anzio not even mentioned?

I used to listen to the broadcasts coming out of Germany when I was courting my wife because her mother understood German. Hitler was punishing the Jews. In September of 1939, the Nazis moved into Poland. We had been listening to these broadcasts by H.V. Kaltenborn, the great reporter, telling us what was going on.

I remember our discussions—

Mr. BERMAN. He thought, too, Dewey was going to win the election.

Mr. FASCELL. I remember our discussions in the family. The way Hitler was killing the Jews and moving into Poland, there was no way this country could stay out of war. I said then, "I will immediately join the Florida National Guard in order to get prepared because I didn't want to be an untrained cannon fodder."

Anyway, I joined the Florida National Guard. We had uniforms left over from the Civil War. We had no guns of any kind. I belonged to the last of the harbor defense units in the U.S. coast artillery. The last time the guns had been fired was probably in 1898. As a matter of fact, the first time we fired it, it jumped off its carriage.

Roosevelt was doing his best to get this country ready and to understand that there would be a price to pay. He had been working for all these years to get the American people acclimated to the fact that something is going to happen here, and it is going to cost you.

In January of 1941, President Roosevelt federalized the Florida National Guard. We were the first unit to go on active duty. I was in Texas when the Japanese hit Pearl Harbor on December 7. Then everything began to flow. But it took a long time to awake the American people to the idea that we were going to pay a price for this risk or take this risk for that purpose. It took a long time to get that done.

Was there any other alternative? I don't think so. It is clear—it was clear to me then. It is clear to me now in hindsight, and I am usually smarter on hindsight than on foresight.

So looking at some of these problems today, I agree with you that we have to take the risk. The question is are you prepared to take the risk? Should we take the risk? I don't think there is any question that a chief executive doesn't understand that he is going to pay a price politically because of the loss of life. No question about that in my judgment—if—especially if the criteria is not clear in the public mind that this is a crisis of such significance that they should be willing to take that risk and pay that price. I think that is the differentiation, Tom.

Mr. LANTOS. Well, that is a very serious and thoughtful response, Mr. Chairman.

Let me just say that one interpretation of what you said—and I agree with what you said—is that if there is a crisis of survival for our society, there will be a response. The Hitler-Japanese challenge was so powerful and dangerous—

Mr. FASCELL. There was an immediate recognition of the challenge.

Mr. LANTOS [continuing]. There was an immediate recognition of the challenge. It was accepted by the Congress, the people, and there was a tremendous degree of cohesion and unanimity.

Mr. FASCELL. Right.

Mr. LANTOS. Now the challenges do not come in such clearly definable divisible packages. They come in very unique, nonthreatening, noncritical-looking packages.

Mr. FASCELL. The question however arises: Where are you going to be a year from now or 6 years from now?

Mr. LANTOS. Take Yugoslavia and take North Korea. I attempted, obviously unsuccessfully, to persuade the previous administration when the Yugoslav crisis was beginning to brew that there should be a credible threat of force by NATO which would see to it that military activities do not begin. Because whoever begins military activities will be hit with full force.

I am as convinced now as I was then that had NATO issued a credible threat of force nothing would have happened in Yugoslavia.

Mr. FASCELL. I agree, but there still is the nagging question about backing up the threat.

Mr. LANTOS. Nothing would have happened in Yugoslavia.

Mr. FASCELL. The Serbs got the opposite message.

Mr. LANTOS. They got exactly the opposite message. I am delighted you agree.

Here we have this one little episode which so far has cost us 200,000 lives, mostly civilian, women and children, some men, about a million and a quarter displaced people, and a functioning multiethnic, multiracial, multireligious society totally torn asunder.

As we are meeting in this room, Mr. Chairman, we are debating whether to lift the arms embargo on Bosnia or not. We will be voting in about a half hour.

Mr. FASCELL. I would probably vote for the losing amendment.

Mr. LANTOS. Yes. I would expect you to.

Mr. BERMAN. Whichever one.

Mr. FASCELL. What is new?

Mr. LANTOS. I would expect you to.

What I am saying is we have had the failure of Yugoslavia and the debacle. Now we are focusing on North Korea.

The issue to me is a very simple issue. Do we allow nuclear non-proliferation to go down the drain? Because if the North Koreans with their missiles are not going to be faced forcefully and not allowed to develop their nuclear weapons, this will send a very powerful message to others. Besides which, they are not just developing nuclear weapons for themselves; they are building nuclear weapons for sale—for sale to Iran, sale to Libya, sale to others. And the ramifications of a nuclear-active Iran or nuclear-active Libya are quite obvious to all of us.

What is required if there is no live-or-die threat to the United States as there was during the Second World War to bring about action and response to these relatively distant and less easy to understand crises?

Mr. FASCELL. Very important point. Very difficult to do, actually, because that raises the whole question about multilateralism. Or even—even raises a question about other factors that need to be taken into consideration in the balancing act.

For example, do you really care where the Chinese stand on this issue or don't you? Do you really care where the Japanese stand on this issue? Do you really care about South Korea? After all, they are all Koreans, you know.

So should those be factors that are taken as part of the judgment call here that the United States is going to send a force over there to blow up this plant, unleash all of this chemical whatever it is, radiation, on the world?

It is a serious problem if the plutonium actually exists. If it is a hit-and-run raid like the Israelis did, demolish the plant, and there is no fallout, I am with you. I will join you in the cockpit. We will go fly the plane together.

But if there is fallout, not just radioactive, I have to think about it. Reaction by North Korea invading South Korea, U.S. fighting another Korean war, Japan and China's reaction to another conflict. It is a serious problem. All of these considerations are very serious. How do you balance it all?

So it goes. There is no simple answer to this thing that I can see. You must act on the best facts you can get. You have to rely on something other than guesswork.

So North Korea either has the bomb or does not have the bomb? What are we concerned about, that they are going to build a bomb? Sell it? Give it away? Use it against their enemy?

All of those are legitimate concerns for us, and we certainly ought to take whatever risk is necessary to prevent that regime from having a nuclear bomb, but are the American people ready to fight an all out war over this?

Who can answer to somebody else how we get the right to do that since we got one and they don't? We justify it on the basis of we are good guys and they are bad guys. I guess we can live with that, if we have the power.

Mr. LANTOS. Mr. Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman.

Chairman FASCELL, as you know, human rights matters are one of the primary responsibilities of this subcommittee. In recent years, one of the major tools to move a country along on human rights has been the subject of trade, withholding of normal trade status, so-called Most-Favored-Nation status. This has been the topic more recently heavily debated because of the China and MFN. I don't want to focus on that specifically.

What I want your thoughts on today is the subject of what kind of tools you think it might be appropriate to apply. Is it possible we are too narrowly focused on trade as a possible weapon to advance human rights? Trade is a matter of mutual benefit—not equal usually but mutual benefit. Many people think we end up hurting ourselves as much or more than we do the country we are trying to influence, and usually it is a unilateral decision, not multilaterally implemented, and, therefore, not always very successful.

What other kind of tools could we use? How could we broaden the way that we attempt to influence other countries on matters represented to human rights?

Mr. FASCELL. Doug, you know, this is an issue that has—troubles any country, certainly ours in a democracy.

You have several basic tools as I see it. You have military, economics and you have the nonmilitary, noneconomic. That includes a whole range of concepts from blue jeans culture, to direct communication. Maybe everybody will put their hair up in ponytails and sing whatever it is they sing. It is possible. You might be able to convince a whole society to carry flowers instead of guns.

I think the flower children of the 1960's were trying to give us a real message, which is there has to be a better way. I agree with them. I think there has to be a better way. But I don't see any other tools if that is what you are getting at.

Mr. BEREUTER. Let me pull you back to China then, despite what I said about not focusing on a single country.

Here is country where you have a gerontocracy in control that are very concerned about—

Mr. FASCELL. You are treading very dangerous ground there, highly discriminatory. However I have a good lawyer here who will represent you.

Mr. BEREUTER. It is, of course, the nature of the gerontocracy to shun democracy. I have never seen you afraid of democracy.

The Chinese leadership is very much afraid of the erosion of their authority because of democratic tendencies that are emerging, thank goodness, in that country. We have had proposals such as a binational human rights commission as one example. Any reaction to that? How can we move the Chinese along without economic sanctions?

Information—I assume USIA is one of the things you would promote?

Mr. FASCELL. Obviously, you have to communicate in whatever language.

By the way, there are more people learning to speak English in China than in all the rest of the world put together. I don't know how many people in this country speak Chinese, and I don't know what difference that makes, but it is an interesting statistic. They

are very proud of the English Department at the University in Beijing.

Mr. BEREUTER. They are teaching English on the radio. Cab drivers are learning it on the radio.

Mr. FASCELL. Yes. How does that song go? "Doe a deer, a female deer." We heard that all over China.

The balancing act that is required comes from different places, different facets of our society. We see it all the time.

In Florida, for example, we do not have that difficulty with that country. We have a different difficulty with a different country. Same issue. But we are fortunate, because it is a lot smaller.

I don't know with a large—with a country that large, with that many people, in that kind of economic capability, you know, where the balance comes down.

The United States—and the world community, for that matter—have made—have taken steps within the framework of these things that are available to us, military, economic, nonmilitary, non-economic, and we have done so with various measures of success.

We have an example of the multilateral embargo on Rhodesia, now Zimbabwe, that eventually changed the government there. We had one on South Africa that the United States initiated. Many people said it would never work. The argument was made that the embargo was destroying American business and not changing anything.

Many of us in Congress voted for the embargo anyway because we wanted to make a policy statement. We wanted to let people know where we stood on this important basic human issue. And so we made the statement.

It just so happened for a lot of reasons—I don't want to take anything away from the embargo, but it wasn't just the embargo—South Africa changed. Certainly the human rights aspect of it as represented by the kind of work the subcommittee does is a very important part of the balance. If you were not here to talk about the human rights side of it, then there would be no balance.

So it is legitimate in the democratic process to have this balancing process take place. Otherwise, it all would be one-sided.

We had an awful fight by the Congress with the Secretary of State, who believes you have to be absolutely pragmatic about everything that goes on in the world and there is always greed and power and you better shoot the other guy first. That is the way I interpret his books. But so, you know, he didn't want to hear from human rights advocates. Why, it—yes, it was important, but that should be left to the diplomats in the quiet sanctity of their discussions.

I never forget—Don Fraser and I went down representing over 100 Members of Congress to talk to the Secretary of State. Finally, reluctantly, we reached an understanding.

So human rights became a factor that had to be considered. It was President Carter who first said that human rights would be a primary concern of this government in relationships between the United States and other governments—will not be the sole concern but a primary concern.

We in Congress felt that that was a real accomplishment. I think it is. I think human rights ought to be a primary concern in the

relationships between two countries but not the only concern. Not to allow for exceptions to the policy would be very unfair for this country.

We cannot be absolute that in every case. It is just impossible to make that fly. Unless you just say, "this is so important, so vital, we will forego everything else. We are going to make a statement for humanity, period. We do not care what else happens."

But the necessity for maintaining the concern, the dialogue on human rights, on arms control, on proliferation, on the abolition of chemical and biological warfare, all of these things, are all considerations on the diplomatic plate. When you sit down with your counterpart across the table in diplomatic discussions, if you are a representative of the U.S. Government, you should have all those issues before you. You must find out exactly where each fits in your discussions, if you are to do the best job for the United States that you can do.

By the way, I don't believe there is private diplomacy, at least not for very long. There seems to be no such thing as privacy in government.

So the era of instantaneous communication is here. Conversations come out of the Cabinet room before the members of the Cabinet get outside. The media knows what was said inside. I always found that kind of cute myself. I don't know how, but they know.

Mr. LANTOS. Congressman Berman.

Mr. BERMAN. Well, thank you, Mr. Chairman.

Thank you, Mr. Chairman. It is great to have you here and to take a moment to think about all these issues. Of course, it is also good—

Mr. FASCELL. I didn't give you any answers, Howard. If you want to think about it—

Mr. BERMAN. It is great to think about them instead of having to go down to the floor and figuring out what to do. A lot of the people that you trained who worked with you now are spread throughout the administration. I just heard one of them laugh. They are on the tougher side.

Mr. FASCELL. He wrote my testimony. Are you kidding? I heard him laugh, too. I know who it is.

Mr. BERMAN. Chairman Lantos' point is I think an interesting point. Doug Bereuter's question feeds into it, the question of getting things at no risk.

Mr. FASCELL. Cannot do it. There is no such thing.

Mr. BERMAN. It is also a bit of a problem even in the formulation that is so current in this administration that economic considerations will dominate every kind of a decision because all these issues will have risks and negative consequences in the short term, economically.

The fact is that the United States did impose sanctions on South Africa, and then other countries followed. And when you listen to people talk about all the reasons why apartheid was ended and the government of South Africa made fundamental changes it is clear that the predominant reason was because the South African business community became the most vigorous force for ending apartheid and changing the government's policies as a result of the sanctions initially adopted unilaterally.

But the United States led the way, and pretty soon thereafter other countries in Europe and around the world, started to follow in those policies. And for a short term there were impediments and negatives for American businesses as a result of this as well as additional suffering for the majority of South Africans whose life was more difficult because of those sanctions. In the long term, the process worked.

Mr. FASCELL. Howard, you make a very valid point. I am glad it was made on the record. I didn't mean to overlook it. It is that you must never give up your right to act unilaterally regardless. Absolutely not. You can lead. If the others want to follow, fine. If they don't, at least you took a stand.

Mr. BERMAN. Tom's other point and the point you made is that it is one thing when Pearl Harbor is attacked and the nation knows immediately what its course of action must be. It may have been a little more complicated but not much more complicated in the response to an expansionist Soviet threat soon after the end of World War II. By and large, the debate for 40 years was how many weapons do we need? What kinds of political actions on the margin do we have to do to deal with the threat?

It is a lot tougher now dealing with these threats which are real but which we will not fully feel for many years to come: North Korea possessing nuclear weapons, a Japan which uses breeder reactors and has a great deal of weapons' grade plutonium. What does it do now as it sees North Korea developing a nuclear arsenal? How quickly does that spread?

So it is just interesting to have your thoughts.

Mr. FASCELL. You raised another very important point, Howard, with respect to the Communist threat. It led to concerted action, NATO, which led to concerted action on the other side of the Warsaw Pact. It led to all kinds of political ramifications in trying to bridge over these difficulties that existed between the two sides, like CSCE, a whole host of efforts.

It also took 40 years. It wasn't automatic. It wasn't some magic thing that came from someplace and all of a sudden, bingo, the Communists disappeared. So that is another aspect of this problem.

Could we play with it? Well, it is debatable, you know. President Kennedy faced that prospect in the so-called Cuban missile crisis.

Yes, we had 40 years of time to let this thing work and find bridges, or to let the system kill itself, so to speak; but there were several times when right then and there tough decisions had to be made, the airlift, Cuba missiles, et cetera.

I think we are going to face that constantly. There is no way out of that. I don't see any way. You have this constant balance going on: protection, dissemination of your value system, the kind of vision you have for the world you want tomorrow.

Then you have the immediate emergencies that face you that have serious consequences 10, 20 years down the road. You would hope they would not multiply to the point where you have to again put those kinds of numbers of men and women in uniform as in World War II.

That leads to you logically to an examination of the entire military system. A thorough examination of your policy of what kind of war you are going to fight is required. For example, is there any-

body seriously left now who thinks that we can or should fight a nuclear war? Is there anybody left who thinks that we can successfully wage a partial nuclear war? Is there anybody left who thinks you can fight a tactical nuclear war? Is there anybody left who thinks there is any real value in nuclear weapons?

Mr. LANTOS. The North Koreans seem to think so.

Mr. FASCELL. I meant in this country, Tom.

Mr. LANTOS. Mr. Chairman, one of the areas where you did your most intensive work has, of course, been NATO. I would like to ask you to comment on the Partnership for Peace. Was it a creative formula for building an avenue that, over time, will lead to membership in NATO for these countries? Or was it merely a device to punt on this issue?

It was sort of an easy way out according to some who felt that we would have to pick and choose among countries that were ready for NATO membership and that would create a problem with the others that are not.

Do you, in a sense, think that Partnership for Peace was a good move or was it really a sort of questionable finessing of the issue?

Mr. FASCELL. Tom, I don't know all the intimate details of the Partnership for Peace, but the concept has some basis in reality. The reason I say that is this: Every country that is outside of NATO is concerned about its security—for one reason or the other. We do not have to examine that. It is a fact of life.

The one thing that would not be in the interests of the United States or the European Community would be to take those actions which automatically forces all these other countries to have another Warsaw Pact. That would be crazy. We draw another line.

Why do we want to do that? It seems to me—and we have been advocating this—I have been advocating this, along with many others—erase the line of demarcation.

Some argue you cannot let any of the former Communist countries into NATO. Furthermore NATO power and authority cannot be diluted. It can't imperil joint command; nor give up the right of action as it deems best.

There's something to be said about that. For example, I would have real trouble if the issue arose regarding out-of-area action by NATO being subject to a U.N. veto.

Yet there is also something to be said for bringing in the international community into this effort of trying to expand the security provided by a NATO structure.

So do you let everybody into NATO? You know what, a lot of brass would immediately tarnish. That is a real hard problem.

We on the parliamentary side—as you will recall—came up with a hybrid. We had tremendous debates both in the executive committee and in plenary sessions about should you invite a Russian—this was before the breakup—to even sit in, even invite him to the meetings? We decided the only thing to do was to—we finally got the agreement he could at least visit. Then we finally got an agreement that he could testify before a subcommittee.

And then—you know, little by little—then we got a policy statement out that we would let them—let all of these countries have representatives to be part of the NATO parliamentary organization, so at least they feel like a hand is being held out to them and

they do not have to go do something else. While they were not in on the councils of war, so to speak, they were close enough in a political sense that they might gain some comfort from that, and it would not force them into some kind of united consolidation simply for security reasons.

I think we have to follow that line of thinking, therefore, that holds out some credible hope to these countries, that they will be secure.

Now whether that involves direct membership, sitting at the table with all of the NATO commanders or not, I am not prepared to say at this moment, I haven't given it that much thought. But if it is not that, we better come up with something else that is acceptable and good in 10 years. Perhaps we should lay down minimum criteria for admission. Until the minimum is met, each country attempting to qualify could be part of sister organization.

I don't know, you know.

Mr. LANTOS. On balance, do you think Partnership for Peace was a reasonable option?

Mr. FASCELL. I think it was a reasonable step.

Mr. LANTOS. Congressman Smith?

Mr. SMITH. Owing to the fact I came late and did not hear the distinguished chairman—

Mr. FASCELL. You are probably fortunate.

Mr. SMITH [continuing]. I will have to read the report. I would like to say how good it is to see you again, Mr. Chairman. I look forward to getting a synopsis of what you said. Thank you.

Mr. FASCELL. Thank you very much. Nice to see you.

Mr. LANTOS. Mr. Chairman, we have kept you a long time. I don't want to impose on you or Mrs. Fascell unduly.

Is there a final, concluding comment you would like to make before we bring this to a close?

Mr. FASCELL. No, Tom. I think what—this is the Lord's work you are doing. I really believe that you have to explore, take as much time as you can afford to give to an examination, pick all the brains you can pick.

I would suggest do not limit yourself. If you have the time and capability and your staff can't do it all, go to other peoples. Other peoples who are not directly involved in either the foreign policy or the military aspects of the problem. Broaden the base of your inquiry in other words, even though it may be "not deep enough" because the individuals have not had a chance to read testimony or catch up with history. It might only be a flash of reality.

But I think you need to do that, too, to see what is out there. The people who have to wrestle with this every day need your help and input, especially in light of fact that everybody gets their information in 15-second sound bites, and that's a lot of people.

Mr. LANTOS. That is why we have decided to have sort of two sets of hearings, one dealing with highly topical, specific issues we must deal with and then one dealing with broad perspectives on where U.S. foreign policy is going.

Mr. FASCELL. If I had known that, I would have been prepared to give you the answers to all the tough questions, Tom.

Mr. LANTOS. You have done an outstanding job. Unless my colleagues have additional questions, I want to thank you on behalf

of all of us, and may I express the hope, Mr. Chairman, that you come back and visit with us in a similar setting when the new Congress opens next January?

Mr. FASCELL. Thank you. It has been an honor and a pleasure for me to see all of you again. Really, a very nice opportunity for me to explore out loud with you the issues of the day. I have not had that chance lately. My discussions lately usually winds up in an argument in somebody's kitchen.

Mr. LANTOS. We have been much enriched by your thoughts. We are particularly grateful you brought Mrs. Fascell with you.

Mr. FASCELL. Thank you very much.

Mr. LANTOS. This hearing its adjourned.

[Whereupon, at 12:18 p.m., the subcommittee was adjourned.]



CHALLENGES TO U.S. SECURITY IN THE 1990's: INTERNATIONAL ORGANIZED CRIME AND NUCLEAR SECURITY (PART 4)

MONDAY, JUNE 27, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL SECURITY,
INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS,
Washington, D.C.

The subcommittee met, pursuant to call, at 1 p.m. in room 2172, Rayburn House Office Building, Hon. Tom Lantos (chairman of the subcommittee) presiding.

Mr. LANTOS. The Subcommittee on International Security, International Organizations and Human Rights will be in order.

On the Fourth of July, something extraordinary will happen. The FBI will open its first office in Moscow. It is a move I welcome and it indicates the growing importance of dealing with crime in the former Soviet Union and elsewhere and the growing degree of cooperation we enjoy with many of our new friends and allies.

CHALLENGES TO U.S. SECURITY IN THE 1990'S

This subcommittee has held a series of hearings this year on challenges to U.S. security in the 1990's. We have heard from former Secretary of State Lawrence Eagleburger on the challenges posed by the ongoing ethnic conflict in Bosnia; and from former National Security Adviser Brzezinski on the dangers of a resurgent, possibly imperialist, Russia. Today's hearing will focus on the challenge to U.S. security posed by the growth of international organized crime and its corrosive effect on nuclear security.

The problem of organized crime is, of course, of global dimensions. In Latin America, reports surfaced last week that the ruthless Cali drug cartel, heir to the Medellin fortune, helped to finance the campaign of the newly elected President of Colombia. In Italy, the bloody battle between government forces and the Sicilian Mafia rages on. And from the East, Chinese gangs known as triads are smuggling illegal aliens and heroin into the United States at an alarming rate.

ORGANIZED CRIME IN THE FORMER SOVIET UNION

But nowhere is the threat of organized crime to U.S. security interests greater than in the former Soviet Union. The vacuum left by the collapse of the authoritarian Soviet regime has quickly been

filled by the Russian Mafia, a network of ruthless gangs whose influence is felt at every level of post-Soviet society.

Russian President Boris Yeltsin recently estimated that 40 percent of private businesses and 60 percent of all Russian companies have been infiltrated by the Mafia. When I was there recently, meeting with representatives of small, independent businesses, without a single exception they told me that they are involved with the Mafia both for protection and for collection of payments due to them from recalcitrant buyers. Corruption is rampant within the Russian police, the new KGB and the Russian Army, and mob-related violence has nearly tripled the murder rate in Moscow since 1992. In the words of a well-informed Treasury Department official, "Organized crime in Russia is now much more powerful than the state and is gaining power."

President Yeltsin just a few days ago introduced draconian measures to deal with crime, but there is serious concern as to whether these measures might undermine the fledgling democracy in Russia.

RUSSIAN ORGANIZED CRIME ABROAD

The tentacles of the Russian Mafia reach well beyond the borders of the former Soviet Union. Leaders of the Russian Mafia have held at least two summit meetings with their Italian counterparts and are reportedly collaborating with the Cali cartel to smuggle drugs into Western Europe.

Known as the "organizatsiya" in the United States, the Russian Mafia has engaged in fraud, extortion, and counterfeiting in such major U.S. cities as New York, Los Angeles, Chicago, Philadelphia, Miami, Cleveland, Baltimore, Detroit, and Seattle.

In Central Europe, the Russian Mafia is fueling a thriving black market in arms, drugs, and radioactive materials, smuggled out of Eastern Europe and the former Soviet Union. In Germany, for example, police report a sixfold increase in illicit trafficking of nuclear materials from the former Soviet Union and Eastern Europe since 1991. Most alarming is the prospect of the Russian Mafia gaining access to atomic weapons or to nuclear material to make them.

THE THREAT TO NUCLEAR SECURITY

Investigative journalist Seymour Hirsch writes in the latest issue of the *Atlantic Monthly*: "Organized crime in the former Soviet Union has been systematically seeking access to the nuclear stockpiles with their potential for huge profits." FBI Director Louis Freeh testified last month that the Russian Mafia, "may already have the capability to steal nuclear weapons, nuclear weapons components, or weapons-grade nuclear material."

This should come as no surprise, given the immense power of the Russian Mafia and the rapidly deteriorating security of the former Soviet nuclear stockpile. A top official of the Clinton administration describes the storage sites for Russian nuclear weapons as minimally defended. Weapon-usable nuclear material is at even greater risk. A top Russian atomic energy official recently warned that storage facilities for this material "are not very safe." And that the material is vulnerable to diversion or seizure.

At both nuclear weapon and material storage facilities workers and guards are disgruntled by payroll delays and lack basic amenities, making them easy prey for the wealthy Russian Mafia. The problem has been compounded by the dismantlement of Russian warheads under the START treaty at a rate of about 2,000 per month, necessitating the storage of massive quantities of surplus weapon-usable plutonium.

To date, there have been only a handful of confirmed cases of weapon-grade material missing from Russian nuclear facilities. While nuclear material suitable for weapons has been offered for sale on the black market, the FBI claims that in no case have law enforcement authorities confirmed that such material actually existed for purchase. As we will hear from one of our witnesses, that may no longer be the case. Preliminary reports suggest that for the first time, a small quantity of weapon-grade plutonium has been seized by German authorities.

THE U.S. RESPONSE

Regardless of the accuracy of these reports, it is clear that the United States needs to act swiftly and forcefully to prevent the Russian Mafia from joining the nuclear club. Based on its trafficking in radioactive materials, there is no reason to suspect that the Russian Mafia would think twice before selling weapon-grade nuclear material or even an assembled nuclear weapon to the highest bidder.

We must not wait, as I am afraid we have done in North Korea, until nuclear proliferation has become a fait accompli. Efforts to stem the proliferation of nuclear weapons have long focused on depriving nuclear weapon states of the capability to produce weapon-grade nuclear material. The availability of such material on the black market would offer rogue regimes and even terrorist groups a dangerous shortcut to the bomb.

Moreover, the inability to monitor black market sales of weapon material would blur the distinction between nuclear and non-nuclear states upon which the critical nuclear nonproliferation treaty depends.

During the cold war, the United States spent hundreds of billions of dollars each year to conquer the Soviet nuclear threat. We are now faced with a new nuclear threat from Russia, one with far less firepower but potentially just as dangerous. At this critical juncture, we must not be penny-wise and megaton foolish.

I can think of no better investment in U.S. national security than spending whatever it takes to ensure that the Russian nuclear threat does not rear its ugly head again in a new guise.

This Congress has provided over \$1 billion in funds to facilitate the safety, security, and dismantlement of the former Soviet nuclear arsenal. The meteoric rise of the Russian Mafia has given new urgency to this mission.

I am eager to hear from our witnesses how this money has been spent, whether it could be more efficiently used, and whether more funding is needed. The challenge to U.S. security posed by the surge in international organized crime and the erosion of nuclear security in Russia is, in my opinion, among the greatest challenges that our Nation faces. I look forward to the thoughts of our distin-

guished witnesses on how we in the United States can address this issue.

Our first witness is the Director of the Central Intelligence Agency, the Honorable R. James Woolsey. Director Woolsey, in the relatively short period of time he has served as head of our CIA, has distinguished himself in a wide variety of ways, performing very successfully in a very complex and increasingly more difficult international climate. I am deeply grateful that he has again accepted our invitation; and I look forward to his testimony.

Mr. Woolsey, you are free to proceed any way you choose. Your entire prepared statement will, of course, be entered in the record.

Is there an opening statement my colleague would like to make?

**STATEMENT OF HON. R. JAMES WOOLSEY, DIRECTOR,
CENTRAL INTELLIGENCE AGENCY**

Mr. WOOLSEY. Thank you, Mr. Chairman.

Mr. LANTOS. Delighted to have you.

Mr. WOOLSEY. Thank you, Mr. Chairman. Always a pleasure to appear before this committee. I welcome the opportunity to address the members of this committee on the subject of Russian organized crime.

Today, I will describe the activity and nature of Russian organized crime, its growing influence in all levels of Russian institutions and society, and the danger it poses to the stability of Russia and U.S. national security interests. I will also address the potential for Russian organized crime involvement in the acquisition and transport of weapons of mass destruction, particularly nuclear weapons and materials. Then I will address the role of intelligence to understand, and to help thwart, these criminal organizations.

With me this afternoon are Tony Williams, Deputy Chief of the Russian Affairs Division of the Office of Slavic and Eurasian Analysis; and Bryan Soderholm, Coordinator for International Organized Crime for the Directorate of Intelligence. After I finish my statement to your subcommittee, I will ask them to join me, and together we will endeavor to answer your questions about these important issues.

Mr. LANTOS. We would be very pleased to have them.

Mr. WOOLSEY. In testimony before the Terrorism, Narcotics, and International Operations Subcommittee of the Senate Foreign Relations Committee in April, I discussed the worldwide threat posed by international crime. I described how powerful crime organizations were built upon narcotics trafficking, alien smuggling, and financial and bank fraud.

With the huge resources derived from such activities, organized crime groups are able to forge international links and develop sophisticated technical and marketing expertise to further enhance their wealth and influence. Operating outside the law with a strong proclivity for violence to impose their will, international crime organizations work to undermine the authority of governments, disrupt local economies, and exponentially drive up the rate of violent crime.

There is a major difference between the challenge posed by organized crime and that posed by nations who have been our adversaries. As a rule, nations do not exist in a constant state of conflict.

Even during the long struggle of the cold war, when cooperation was not feasible, communication was possible. From quiet diplomacy to public demarches, from hotlines to summitry, the means could be found to limit, sometimes even settle, disputes.

With organized crime, there is no possibility for diplomacy, demarches, hotlines, or summits. These tools have no meaning to groups whose business is the criminal exploitation of individuals and even governments through threats, intimidation, and murder. When the sheer size and power of international organized crime can endanger the stability of nations, the issues are far from being exclusively in the realm of law enforcement. They also become a matter of national security.

Russian organized crime is a unique subset of international organized crime that requires a special focus.

First, Russia is a country of enormous strategic interest to the United States, not the least because of its huge arsenal of weapons of mass destruction and significant inventory of weapons-grade materials.

Second, we have a major stake in the outcome of Russia's painful effort to effect a transition from communism to democracy and a market economy, and therefore a significant interest in factors that could undermine stability, weaken civil institutions, and impede reform efforts.

Third, Russian organized crime has quickly become an international menace, conducting operations far beyond Russian borders and reaching even our own shores. For these reasons, we need to understand the complex role of Russian organized crime, the strength of its capabilities, and the extent of its influence on the evolution and development of its life and institutions.

Organized crime is not a new phenomenon in Russia or Soviet history. During the Soviet era, criminal groups and the black market often functioned as an extension of the Communist party and the KGB. In fact, the Communist party and KGB used criminal groups and the black market as a second, parallel economy to further their own goals and enrich their own organizations. They had their own codes, traditions, and loyalties.

In the late 1980's, we saw strong indications that state control had begun to wane. Many of these criminal organizations outlived the state which fostered them and took on a life of their own. This old guard, however, has been severely challenged by a surge of upstarts.

Since the breakup of the Soviet Union, we have seen a dramatic rise in new criminal groups that operate independently without regard for whatever ground rules for criminal activity might have existed before. The "new Mafia," as it is often referred to, does not abide by the old customs established by the traditional Russian underworld.

The diffuse nature of criminal activity in Russia and the other former Soviet Republics presents a difficult adversary to track. The absence of readily identifiable or consistent profiles makes these Russian-style "Mafias" harder to define or categorize than their more tightly knit Western counterparts. But taken together, they are often just as powerful, influential, and dangerous.

Complicating the problem for Russian law enforcement is the involvement of former KGB and military officers in organized crime. With their KGB and military background, special training, and contacts with former colleagues, these individuals offer valuable skills and access that can increase the power and influence of Russian criminal groups who tap into them.

To generate money, Russian organized crime groups are actively engaged in the illegal transport and sale of narcotics, weapons, antiques, icons, raw materials, stolen vehicles, and some radioactive materials, and the transport of illegal immigrants. They are also targeting the financial sector, particularly the acquisition of banks in order to launder profits as well as fraudulently obtain government loans. They also engage in large scale extortion and brutally enforce their demands through deadly violence.

Recently, in fact, a national parliamentarian who had publicly exposed organized crime leaders was gunned down. This was not an isolated incident. Several city and provincial officials have also been assassinated by organized crime groups.

While these activities provide the cash that criminal organizations need to operate and to build their empires, their ability to carry on such transactions is dependent in large part on co-opting or recruiting corrupt government officials. The low pay of public officials, the economic hardship they must endure, and the inherent uncertainty of the political system appear to have made some of these individuals quite vulnerable to cooperating with organized crime.

The growing strength and ability of Russian organized crime is evident. In his February address to the Russian Parliament, President Yeltsin stated that organized crime is now the number one problem facing Russia. Last month, in an address to members of the Russian Federation Counterintelligence Service, President Yeltsin warned that, "The criminalization of society is continuing."

The statistics bear him out. Of the 2,000 banks in Russia today, a majority are controlled by organized crime, according to the Ministry of Internal Affairs. The ministry says there are roughly 5,700 organized crime groups in Russia, with an additional 1,000 in the other former Republics. To keep this in perspective, I want to point out that many of these organizations are actually small, local groups of petty thieves. They would not fit the Western definition of organized crime. But of the 5,700, approximately 200 are large, sophisticated criminal groups engaged in criminal activity throughout the former Soviet Union and in 29 other countries, including the United States.

The perception of the power of organized crime among the citizens of Russia was made clear in a poll in March of this year. In response to the question, "Who controls Russia," a plurality of 23 percent responded with "the Mafia." Twenty-two percent responded with, "No one." Nineteen percent responded, "I don't know." And 14 percent responded, "President Yeltsin."

The ramifications of the rapid growth of organized crime in Russia and elsewhere in the former Soviet Union are enormous. For Russia itself, there is a real threat that the surge in crime will sour the Russian people on President Yeltsin's reform program and drive them into the arms of Russia's hard-line political forces. Pub-

lic fear of crime has been cited as the primary motivation for about three-fourths of those who voted for Vladimir Zhirinovsky in last year's legislative elections.

The threat of organized crime to civil society has become so great, in fact, that President Yeltsin issued a decree last month giving sweeping powers to law enforcement officials to investigate and detain suspected criminals. This far-reaching decree has just now begun to be implemented in Moscow and St. Petersburg and, we believe, could lead to declarations of states of emergency in some cities and regions. Even the Russian military has been authorized to assist in the crackdown effort. The decree has been challenged by the Russian Parliamentarians and other officials who warn that it contradicts the constitution and violates human rights. But this has not stopped the crackdown from going forward. If this effort is to have any real effect, however, it will have to attack corruption within the government. Otherwise, it will become simply a crackdown on low-level criminal gangs, while more sophisticated, better organized, and well-connected criminal groups survive virtually unscathed. Substantial corruption within the government, especially within the law enforcement and security services, would, of course, seriously complicate our cooperative efforts with the government on matters of interest to the corrupting criminal groups.

The impact of President Yeltsin's decree will not be known for some time, but the strong influence of organized crime in all aspects of social, economic, and political life in Russia, as well as many of the former Soviet Republics, suggests a difficult and agonizing future. It is not unreasonable to imagine a Darwinian process of survival of the fittest, with many of these criminal groups eventually eliminated or absorbed by stronger rivals. Those groups left could be very large, sophisticated, and influential. And they will pose a long-term threat to Russia and to the international community.

When the security of weapons of mass destruction—nuclear, chemical, biological, advanced conventional, as well as nuclear materials such as highly enriched uranium and plutonium—is factored into the equation, the stakes can become dangerously high for Russia itself and for the United States.

Russian criminal organizations have created an extensive infrastructure consisting of front companies and international smuggling networks. This infrastructure, built on ties to corrupt military, political, and law enforcement officials, could be used to facilitate the transfer and sale of these weapons and materials. In addition, organized crime groups certainly have the resources to bribe or threaten nuclear weapons handlers or employees at facilities with weapons-grade nuclear material. In many cases, employees at such institutes are poorly paid, or not even paid at all, for months on end. Some of our traditional intelligence tools for monitoring nuclear weapons and the command and control infrastructure in the former Soviet Union are quite relevant. Also relevant are new intelligence techniques which we are continually developing on many types of proliferation problems. We use them and other techniques to piece together potential international webs of communications and transportation, front companies, and the like.

Proliferation is among the most difficult of intelligence tasks, requiring all aspects of our worldwide intelligence networks: human intelligence, communications intelligence, and imagery from reconnaissance satellites. But let me point out that despite considerable press speculation to the contrary, trading in nuclear weapons and materials is not the primary or even secondary business of organized crime groups in Russia today. The usual extortion, weapons and narcotics trafficking, and financial fraud activities currently are too lucrative to be abandoned for the high profile and risky acquisition of weapons of mass destruction. But we can ill afford to assume that because brokering such transactions has not yet been an activity of consequence, we can relax our guard and be confident that such a contingency will not develop in the future.

Specifically, we cannot rule out the possibility that organized crime groups will be able to obtain and sell nuclear weapons or weapons-grade materials as a target of opportunity. We are especially concerned that hostile states such as Iran, Iraq, Libya, and North Korea may try to accelerate or enhance their own weapons development programs by attempting to acquire weapons of mass destruction or weapons-grade material through organized crime groups. While organized crime groups appear to be the logical brokers or purveyors of nuclear weapons and materials, individual criminal acts in this field must also be considered. Indeed, most of the cases of nuclear-related smuggling that we are aware of involve desperate individuals or small groups, with no apparent links to organized crime, simply trying to make fast money. A disgruntled military officer where a nuclear weapon is stored, or an employee at a research institute with access to weapons-grade nuclear materials, is also in a position to steal and pass on the deadly contraband.

Earlier this month, Russian Counterintelligence Service officials announced the arrest of three men who were found to have in their possession 3 kilograms of enriched uranium. A janitor at an unspecified facility near Moscow apparently smuggled the material out of the plant where it was stored.

The Russian Government has made it clear that it wants to prevent the proliferation of all weapons of mass destruction and materials. President Yeltsin has said that the proliferation of nuclear and other categories of weapons of mass destruction within the country and beyond cannot be allowed.

We welcome the efforts of the Russian Government, including particularly its security services, to play a key role in nonproliferation, and we support the priority that they give to this effort. They face a daunting task: Not only are political and economic pressures undercutting the ability of the central government to implement export guidelines and to secure properly the facilities with nuclear weapons and materials, but the Russian law enforcement and security services must themselves battle with increasing difficulty against corruption. To date, we have not detected any nuclear warheads or significant quantities of weapons-grade materials being smuggled out of the former Soviet Union. There are, however, numerous cases in which low-enriched uranium, medical and other radioactive isotopes, and scam materials, notably red mercury and osmium, have been offered for sale on the black market. Press re-

ports routinely assert that Russian organized crime groups are intimately involved in some of these activities.

We cannot take these stories lightly, even though the transactions in low-grade nuclear materials and radioactive isotopes do not pose a proliferation threat per se because they cannot be used to make nuclear weapons. However, some of these materials and isotopes could be used as a terrorist tools if combined with a conventional bomb to produce low level, but still lethal, radioactive contamination. Last summer when I testified before this committee, I discussed my concerns about the proliferation of weapons of mass destruction to rogue or hostile regimes. In my testimony, I noted that we must also anticipate the possibility that hostile groups, specifically terrorist groups, might also acquire these weapons with or without state sponsors. The bombing of the New York World Trade Center certainly heightened our sensitivity to the possibility that a terrorist incident could involve such weapons. We have no evidence that Russian organized crime groups are supplying or even attempting to supply terrorist groups with highly destructive weapons. Nonetheless, we should not rule out the prospect that organized crime could become an avenue for terrorists to acquire a destructive weapon.

In sum, Mr. Chairman, the possibility of organized crime groups gaining access to nuclear weapons and materials has profound national security implications for the United States. The inherent difficulties of dealing with an essentially criminal target that affects our national security interests are compounded in Russia, a country that is still undergoing a radical transformation as it comes to grips with the staggering problems left in the wake of over 70 years of communism.

Russia's wrenching reform is a long-term problem, and we applaud the efforts being made by the Russian Government to make meaningful change. But during this tumultuous time of change and uncertainty for Russia, and all of the Republics of the former Soviet Union, it is essential that we continue to increase our efforts to collect and analyze intelligence that can help us understand and thwart the threat of organized crime.

Mr. Chairman, the intelligence community has been actively collecting information on international organized crime since the 1980's. Even prior to the breakup of the Soviet Union, we were particularly watchful of Russian organized crime.

Let me now address the ways in which we are meeting the challenges posed by Russian organized crime.

To bring more resources to bear upon this problem, I have established in the National Intelligence Council the position of National Intelligence Officer for Global and Multilateral Affairs. In this position, Dr. Enid Schoettle will be doing a strategic review of this issue and will oversee estimates on organized crime. Our National Intelligence Officer for Strategic Programs, Keith Hansen, facilitates important analysis of nuclear security in the former Soviet Union for the whole Intelligence Community. We are also devoting more resources to organized crime issues within the Intelligence Community, as well as to tracking of proliferation of weapons of mass destruction. The Nonproliferation Center, for example, works closely with the National Intelligence Council and elements of the

Directorate of Intelligence and Directorate of Operations supporting new collection and analytic efforts. We have also formed several working groups in the Intelligence Community to pool and coordinate both collection and analytic resources on organized crime. These groups systematically brief and provide intelligence to the FBI as well as to other agencies and policymakers. I intend continually to review our resource commitments to this important set of issues.

There is no one body of expertise that will win the battle against organized crime. Because of the complexity and the diffuse nature of this problem, it will take the combined efforts of historians and sociologists, many of them with Russian and other language skills, to study these groups. It will take financial analysts and economists to understand and expose the transactions and the money laundering schemes of these criminals. It will take technical experts to track efforts by organized crime to circumvent safeguards against proliferation of weapons of mass destruction. It will take political analysts and regional specialists to assess the impact of organized crime on political and economic stability in the former Soviet union. And because of the transnational nature of this threat, it will take cooperation with law enforcement bodies, both here and abroad, including the FBI, Customs, Immigration, and foreign security services.

Let me conclude with a final point. Our battle against international organized crime will not be like wars we have fought against nations. The adversaries in this struggle are criminal enterprises that wear no uniforms and have no patriotic ideals. They feed off of societies' weaknesses, corrupting the normal course of life, and destroying civic culture. Their quest for profit mocks all laws, mores, and values. They erode what hope is left in nations newly emerged from totalitarianism that are desperately struggling toward stability, democracy, and a better life.

In what threatens to follow the era of the cold war—we may, sadly, come to call it the Era of Anarchic Proliferation—the danger of breakdown of legitimate authorities in many nations becomes even more alarming. The specter of these enormously destructive tools of war in the hands of criminal groups with the capability of passing them on to hostile powers compels our vigilance and commitment. Winning this war will not be easy nor will it be quick. Victory will not be seen in decisive events, but will come in increments. In the end, I am confident we can prevail if we persist and work together on these new and very troubling problems.

Thank you, Mr. Chairman.

Mr. LANTOS. Thank you very much, Director Woolsey. I will place your testimony in the Congressional Record, if you do not mind, because at a time when the country appears to be preoccupied with the O.J. Simpson affair, there are other issues of perhaps even greater consequence for national security.

FUNDING FOR INTELLIGENCE ACTIVITIES

If you would like your colleagues to join you, I would be happy to have them up at the table.

Let me begin with a generic issue related to your work at the CIA and the intelligence community at large. There are some mis-

guided voices who say that with the end of the cold war, the need for intelligence is dramatically reduced and, as you know, there have been attempts—and I am sure there will be new attempts—to dramatically scale back our intelligence activities.

My own judgment is that this infinitely more complex and chaotic and confusing climate in which our intelligence agencies have to operate may make it all the more important to continue adequate funding of the intelligence community. I would like to ask you for your reaction to this generic issue.

Mr. WOOLSEY. Well, Mr. Chairman, it will not surprise you I am pleased with the question. I think anyone who believes that this new era we are in is one of dramatically reduced danger and dramatically reduced needs for intelligence, frankly, cannot see beyond the end of his nose.

The situation with respect to such matters as proliferation, terrorism, international organized crime, anarchy in various parts of the world and the resulting devil's brew of problems is an extremely troubling one. For intelligence in many ways, it is more difficult to track than some issues were during the cold war.

I have used the analogy several times of the United States having been engaged in a struggle against a dragon for nearly half a century and having slain it, but now finding ourselves in a jungle full of a large number of poisonous snakes. In many ways, the snakes are harder to keep track of than the dragon was.

I must conclude based upon your question and my own observation that there are some who do not really worry about poisonous snakes.

We are in the midst of substantial restructuring and reorientation of missions in the Intelligence Community. We will by the end of the decade, through congressionally mandated reductions, as well as some of these having been proposed by the administration and by ourselves, we will reduce the intelligence community in personnel by something around 23 percent during the decade of the 1990's. In personnel, we will be back to approximately where we were at the end of the Carter administration. We will double the reductions that the National Performance Review is calling upon domestic agencies to take of approximately 12 percent during the decade.

We are also being required by the financial situation to make some substantial reductions in numbers of analytical personnel and collection efforts overseas.

President Clinton, then candidate, stated in the summer of 1992 that he believed the program for national and tactical intelligence that the Bush administration had set forth could be reduced over a 5-year period by approximately \$7 billion. I came into this job thinking and believing that that was a reasonable target, given prudent management and reductions we were working on.

As a result, principally, of congressional reductions we will approximately double that amount of reductions over that 5-year period. We are seeking to manage these matters in a way that maintains a worldwide network appropriately restructured of human intelligence, signals intelligence, and reconnaissance from space.

We are, I think, going to be able to do that, although we are very close to a ragged edge of losing some extremely important capabili-

ties; and the capabilities that will suffer with respect to tracking such matters as proliferation of weapons of mass destruction, international organized crime, international terrorism, will be capabilities that I would venture some of those who are now proposing huge cuts would wish had been around if the next time they see some major terrorist event, whether it is in the United States or abroad, it involves a weapon of mass destruction.

Mr. LANTOS. Director Woolsey, I notice your reference to devil's brew. Is this an attempt on your part to be politically correct? I used to hear the term witch's brew.

Mr. WOOLSEY. Mr. Chairman, perhaps I did slide into political correctness.

THE RUSSIAN MAFIA

Mr. LANTOS. Let me move directly to the Russian Mafia now. Is the Russian Mafia a structured organization or is it a collection of, as you suggested, some 5,700 largely independent groups?

Mr. WOOLSEY. For purposes of our current assessment with respect to the most important groups, Mr. Chairman, I think I would focus on the 200 largest groups, their efforts to infiltrate the Russian Government, and the struggle between them, the sort of Darwinian struggle of the sort I described earlier.

Many are at odds with one another; they do not adopt normally the type of cooperative accommodation that the Chinese triads do; and there is no fixed hierarchy of them of which we are aware; but this is precisely the type of question that I think it might be most useful for Tony or Bryan to say a quick word about, if either or both of them want to say something.

Mr. LANTOS. I would be delighted to hear from both of you. Let me say before you begin your response that during my last trip to Russia, the impression I gained from many discussions is that the division of labor is to a very large extent geographic in scope; that there are geographic dominance patterns in St. Petersburg or Moscow or other Russian cities by various groups, and that they basically do not compete very strongly with each other across geographic boundaries, but I would be anxious to hear your views.

Mr. WILLIAMS. Sir, that has very much been the experience we have seen so far. For example, there are half a dozen major groups within the larger confines of Moscow; and they have more or less carved up the city into what we would call spheres of influence. We have noted, however, within Moscow itself there has been what we would call in the West a gang war raging for the last several months in which fairly significant leaders of some of these groups have been assassinated, one of the most notable being Kvantrishvili, who headed the Georgia Mafia in the capital. He was gunned down. He is not alone. Similar situations are developing in St. Petersburg.

By and large, the Russian Mafia groups fall into two categories: either ethnic groups, the most famous of which are the Chechens but they are certainly not the only ethnic groups. And then local Russian groups. These are generally geographically based.

The former city of Sverdlovsk was the site of operations of a Russian group. Vladivostok was the site of other operations of Russian

groups. Once again, the groups we are talking about are the larger of the 200 the Director just mentioned.

Some of them do occasionally compete, as the gang war in Moscow shows. Ultimately, we believe that some subset of the—of these 200 will finally emerge dominant and probably build on relations that they have already begun establishing such as a tacit agreement to carve up the various large cities into spheres of influence. When they do that, they will then have evolved into a much more organized structure or force.

Mr. LANTOS. Beyond the level of generalities, what can you tell us, gentlemen, about the extent of Russian Mafia penetration into the Russian police, the Russian Army, the Russian Government, and the former KGB?

Mr. WOOLSEY. Let me say a word about the military. Then I will ask Tony or Bryan to talk to the others.

There are very widespread reports of corruption in the Russian military, including the arrest of several generals for engaging in various corrupt commercial activities. Defense Minister Grachev said last year that there had been disciplinary action taken against 3,000 officers, including 46 generals for participation in corrupt commercial activities. We do not believe the Russian military has made significant progress in reducing corruption, since that announcement.

We know that much of this corruption is linked to organized crime. There was a case, for example, in 1992 when a Russian Air Force general was arrested and charged with accepting bribes from criminal groups in exchange for transporting their contraband on aircraft that was under his command. There have been a number of reports suggesting ties between organized crime and military in the Western group of forces in Germany involving the sale of everything from furniture to weapons; those forces are now withdrawn.

But our primary concern involving criminal links into the Russian military is that the groups, the organized crime groups will use those ties to arm themselves and also to obtain various weapons on the black market. In 1993, over 6,000 military weapons were transferred to criminals, according to the Russian Ministry of Internal Affairs; and this figure seems low, given that in January there were 11 Russians arrested in Germany, including a lieutenant colonel, for attempting to sell a single shipment of nearly 10,000 Makarov 9 millimeter handguns. So far the types of weapons that are most often stolen or bought are small arms, but last year a couple of Baltic fleet sailors were arrested while trying to sell a SA-7 air-to-surface portable missile for \$40,000.

There have been reports of sophisticated criminal groups using front companies and ties to the military and military industry to act as essentially brokers for sophisticated hardware, possibly including helicopters and even jet aircraft.

Also, conventional weapons such as tanks and armored personnel carriers are being sold by criminal groups on the black market, usually in conflict zones such as down in the Caucasus or Moldova. But that is sort of just touching the surface on some of these reports, Mr. Chairman. It gives some idea.

Tony. Bryan. The police, the security service?

Mr. WILLIAMS. We have had numerous reports of members of the various security services in Russia and some of the other newly independent states being involved with organized crime elements. Just recently, for example, a Major General in the MVD was arrested specifically as part of an investigation carried out by the Internal Security Service, arrested and charged with corruption and associating with criminal elements.

There have been press reports of individual members of the Internal Security Service being killed in gun fights involving ambushes and efforts to contain or otherwise apprehend organized criminals in Russia.

I would make a final analytical point, that is, that just recently the criminal investigative unit that had been, in December, transferred to—I am sorry, January, transferred to the Ministry of Internal Affairs, the MVD was recently transferred back to the Internal Security Service. One of the reasons that we believe that was done at President Yeltsin's order was because of the high concern about corruption within the Ministry of Internal Affairs and the fact that the Internal Security Service is regarded as being somewhat less susceptible to corruption.

Mr. WOOLSEY. This complicates, if I might say, Mr. Chairman, the role of our liaison with law enforcement. Needless to say, it doesn't mean it cannot go forward. It just means that it is very complex. Certainly, it is a very different thing than the law enforcement cooperation we have with an institution such as historically Special Branch in Hong Kong, a wonderful law enforcement agency, or with the British—Scotland Yard or the German police or whatever.

It is even different, I believe, than the cooperation we have had historically in the law enforcement arena in a country such as Italy which, of course, had—has a large organized crime structure; but also has an extraordinarily fine tradition of independent judges, judge magistrates who have played a major hand, very courageously, some having been killed, of course, in helping to curtail the power of the Mafia in Italy.

That type of tradition of an independent judiciary so far unfortunately does not exist in Russia. It does not mean it cannot be built. It does not mean that it is a fruitless endeavor. But it makes some aspects of cooperation, shall we say, considerably more complex than it has been in other countries.

Mr. LANTOS. Well, without being dramatic about this, this is the first time in human history that a nuclear super power has disintegrated. This makes the chaos which typically follows the disintegration of societies infinitely more dangerous; am I correct?

Mr. WOOLSEY. Absolutely.

Mr. LANTOS. If that is the case, I found one statement in your excellent testimony particularly intriguing. At a time when the Soviet economy is in shambles, production levels are way below where they were a few years ago, standards of living are way below where they were a few years ago, to hear the President of Russia say that the number one problem they face is crime is an absolutely stunning statement because people who are not aware of both crime and organized crime in Russia in terms of its scope and impact would consider such a statement absurd because it would appear

obvious that the number one problem of Russia would be the economy; but it isn't, because unless this galloping wave of crime, both street and organized, is brought under control there is a distinct possibility of Russian society imploding.

I would like to ask any of the three of you gentlemen to comment on my observation.

Mr. WOOLSEY. Well, Mr. Chairman, I think that that is exactly right. One cannot build a solid democracy or free economy on the basis of a kleptocracy. Certainly in our own history and other periods of time there have been periods of time, sometimes attention is called to the years of the robber barons in the 19th century, in which there have been behavior by those who went into commanding positions in the commercial world which would not stand up to today's standards of ethics or law.

But we are talking about something here, a wholly different order of magnitude. We are talking about really ruthless criminal groups, potentially controlling whole sections of the economy and even of the government; and President Yeltsin is absolutely correct and quite courageous, I think, in calling attention to that as Russia's number one problem and in taking it on. Whatever agreement or disagreement one may have about specific methods, he has focused on exactly the right issue.

YELTSIN'S RESPONSE TO ORGANIZED CRIME

Mr. LANTOS. What is your answer to the critics, Director Woolsey, who say that Yeltsin's measures are themselves more dangerous to the developing democratic Russia than even the most heinous Mafia activities?

Mr. WOOLSEY. Well, there is certainly reasonable range for debate about some of the methods. I would not propose, Mr. Chairman, to enter the lists of the pros and cons of that. I would really only say that if something effective is not done, particularly with regard to getting at some of the groups that are corrupting government institutions, particularly the security services, the military, law enforcement authorities in Russia, virtually nothing else will work. President Yeltsin has appointed a human rights overseer. He is working on this issue. He has a very, very difficult problem to solve.

And I think I will leave to the policy officials in the government, of which I am not one, to discuss the relative pros and cons of his actions.

Mr. LANTOS. Would either of you gentlemen care to add anything?

Mr. WILLIAMS. I would just reinforce the point the Director just made. President Yeltsin has shown himself to be quite sensitive to the potential for human rights violations.

As the Director said, he just recently appointed a human rights ombudsman and drafted a letter to ask him to pay special attention to the potential for human rights violations as they go forward to fight this crime problem. The head of the International Security Service has also noted publicly the problem of balancing human rights with stamping out this terrible criminal problem; so the administration is quite aware of the difficulty they face in this regard.

U.S. FOREIGN ASSISTANCE

Mr. LANTOS. Is there any evidence, Director Woolsey, that the Mafia profits from U.S. economic assistance to Russia?

Mr. WOOLSEY. Not that I am aware of, Mr. Chairman. Our aid to Russia is not given in cash. For example, much of it is tied to performance of American companies or to material in kind. Cooperative ventures. It is not absolutely impossible, but this has not been something that we have found.

Mr. LANTOS. My colleague from California would like to intervene at this point.

Mr. ROYCE. Mr. Chairman, I would like to follow up on your question.

Mr. LANTOS. Please do.

Mr. ROYCE. The current issue of Atlantic Monthly has an article by Seymour Hirsch. If I could just quote one sentence from that article? He says, "An employee at an involved government agency recently told me that his very rough guess last year was that 30 to 50 percent of AID money for privatization is spent in a way that ultimately benefits criminal interests."

I guess as a follow-up question to the chairman's question, are we coordinating our intelligence efforts with AID and with the State Department to be sure that the privatization firms or individuals our AID people are dealing with do not, in fact, have organized crime or KGB links in a society now ravaged by corruption and crime in which these two elements play a critical role in the economy there today? Have we checked?

Mr. WOOLSEY. Yes, Congressman Royce, we work closely through the National Security Council to provide them and through them, State Department, AID, other parts of the U.S. Government, with anything we have with respect to this issue.

I would point out that—the somewhat tentative nature of the speculation by the anonymous source in the Hirsch piece, and—on this point and also the fact that if one uses the modifier ultimately in such a circumstance, then there is a great deal of ambiguity because if privatization results ultimately in someone from organized crime taking over some portion of an industry or banking system, I suppose one could make a statement that the causation chain gets rather attenuated.

Mr. ROYCE. Mr. Chairman, just to continue, and then I will return the floor to you, Mr. Chairman, but reading from the article, it was stated at one briefing last July, a CIA official provided a scathing report on the Russian Mafia's infiltration by the privatization program: "Privatization is the centerpiece of AID funding and it was the first time I heard the CIA admitting there was a problem."

So those are some of our concerns, Director Woolsey. I appreciate your clarification.

Mr. WILLIAMS. Sir, to add to that, I would point out that there is often not a distinction made in the press between corruption and organized crime. The privatization program does suffer from, in various areas in the country, suffers from significant levels of corruption with local and regional officials. To that extent, I think one cannot, as the Director said, deny that ultimately someone you

would not want to benefit might benefit from the privatization program.

We have, however, worked very closely with the Department of State, with AID; the agency has representatives who are in an interagency working group specifically chaired by Ambassador Collins to look at this problem. We provide regular, weekly updates to them on this issue; and to date, we have absolutely no evidence of any sort that U.S. aid has been directed or misdirected to organized criminal elements.

Mr. ROYCE. Thank you.

Thank you, Mr. Chairman.

Mr. LANTOS. Congressman Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman, for scheduling these hearings.

Director Woolsey, welcome. I am sorry I had floor duties for two suspension calendar bills and was not able to hear the first part of your testimony or responses to the questions that have thus far taken place.

I get a chance to see Director Woolsey before the Permanent Select Committee on Intelligence on a regular basis. I appreciate his excellent work. I look forward to continuing to examine your testimony and listening to your responses, but at this point, I ask my opening statement be made a part of the record and you continue with the process here.

Mr. LANTOS. Without objection.

[The prepared statement of Mr. Bereuter appears in the appendix.]

Mr. LANTOS. Pursuing a bit the Seymour Hirsch article in the Atlantic Monthly, he quotes a Treasury Department official as stating: "Organized crime in Russia is now much more powerful than the state and is gaining power."

Would your evaluation correspond to Mr. Hirsch's evaluation?

Mr. WOOLSEY. Well, the anonymous Treasury official is certainly right on gaining power. Now if one said across-the-board more powerful than the state, I don't think we would go along with that. There are certain areas in which organized crime has a good deal of influence and impact on the state and quite a few of them have a good deal of impact on the economy; but it is not a single entity. It is a bunch of entities; and it is in a sense a kind of vigorous parasite.

Its effort is to extract money, essentially, not to govern; so although it can or—the organized crime groups can and do create much difficulty for the Russian Government, I think it is an understandable, perhaps, use of the divisive hyperbole to say that it is more powerful than the state.

Mr. LANTOS. Any of your colleagues care to add anything?

Mr. WOOLSEY. No.

Mr. LANTOS. One area that I would like to explore in some detail is the extent to which Russian organized crime has penetrated the United States. I wonder if you would first tell us perhaps which U.S. cities it is your judgment are the ones where the Russian Mafia is most active?

Mr. WOOLSEY. Mr. Chairman, this is an issue which I should, I think, quite appropriately lateral to my colleague, Louie Freeh. The general division—

Mr. LANTOS. He is on his way to Moscow.

Mr. WOOLSEY. He is on his way to Moscow. So it would have to be after his return.

Mr. LANTOS. All right.

Mr. WOOLSEY. The general breakdown in responsibility is that we obtain intelligence overseas on these organizations and efforts through the entire work of the U.S. Intelligence Community; and when something zeros in on an effort to do something in the United States, we provide whatever we have to U.S. law enforcement authorities; and as it zeros in on a case or law enforcement or something taking place here, we provide the information to the Bureau and they take action. So I think I better lateral that one.

Mr. LANTOS. That is a very good answer.

Could I pursue, then, your judgment of the extent to which Russian organized crime is cooperating with the Colombian drug cartel and the extent to which they are cooperating with the Sicilian Mafia?

Mr. WOOLSEY. Yes. It has been, I think there has been a general effort by Russian organized crime groups to take up, shall we say, diplomatic relations with both the Colombians and the Italian Mafia. Because of the fighting in the Balkans, in former Yugoslavia, which used to be the main route for, or one of the main—quite possibly the principal route for transporting narcotics into Europe, and because of the governmental and other chaos that exists in some parts of former Soviet Republics, we have seen some of the efforts to transport narcotics into Europe move in the direction of being routed through the former Soviet Union.

Russian Internal Affairs Ministry officials said a year and a half ago that representatives of the Medellin cartel had visited Russia to meet with organized crime figures. The Medellin cartel is in a rather substantial decline, but the Cali cartel's star is definitely rising. So there have been and there will be contacts between them and the Russians as well.

Over a ton of Colombian cocaine was seized in Viborg in Russia in February a year ago, near Saint Petersburg, which is at least one indication of substantial levels of cooperation in trafficking. The Sicilian Mafia and the Calabrian Mafia, and the Naples based, three of the four main Italian organized crime groups, have developed links with Russian criminal groups, according to the Italian Government.

And although this cooperation with all of these groups probably includes some trafficking in conventional weapons, we have not really seen substantial reporting on this, and we have seen nothing about any cooperation between these groups and attempts to deal with nuclear weapons or nuclear materials.

Mr. LANTOS. You know, a few days ago we held a hearing in this room with high officials of the Department of State, Department of Defense, and the Chief of the Drug Enforcement Administration on the abrupt termination of our supplying intelligence information to the Colombians and the Peruvians; a decision that some of us in

Congress felt was singularly ill-advised, and which we were told will now be reversed.

Does your Agency, Director Woolsey, have any thoughts about taking away intelligence from two governments with which we have been cooperating on the question of stemming the flow of drugs into the United States, because of a hypothetical notion that an American jury will convict an individual who supplies intelligence data to be used in apprehending drug gangs?

Mr. WOOLSEY. Well, Mr. Chairman, providing this real-time intelligence on drug trafficking air routes to the Colombians and Peruvians really is a very important and useful function. We and our lawyers were consulted when this legal issue was being discussed and debated and we made our input.

It is up to the Justice Department to make these calls, and as I understand it, the way it has come out, a legislative solution is being sought.

Once it is proper and appropriate for such cooperation to be undertaken in the way that it was, I think that those of us who are working on intelligence and narcotics and organized crime-related issues in the government will, of course, be quite pleased to see this current issue sorted out.

Mr. LANTOS. Well, I realize your valiant attempt not to be critical of your colleagues in the administration, but it seems to me that the search for a legislative fix could have come prior to the interruption of the provision of intelligence to Peru and Colombia which, in my view, was a very serious failure in judgment at reasonably high levels.

I would like the Cali cartel on the threat to U.S. national interests by international organized crime groups. I would specifically like to deal with Colombia, for a moment.

There have been many reports that the newly elected President of Colombia may have funded his campaign with vast sums coming from the Cali cartel. I would be grateful if you would share with us whatever information you can in public session on this issue.

Mr. WOOLSEY. Well, we are naturally concerned about the reports, Mr. Chairman, of allegations that the Colombian Samper campaign received contributions from drug traffickers in Cali. The issue is much bigger and longer standing than individual attempts by the cartel to influence the outcome of an election, however.

Over the years, the Cali cartel has forged very extensive contacts among politicians, many parties, and at many levels of leadership in Colombia. For example, Cali lawyers lobbied hard in the Colombian Congress in 1991 to obtain a constitutional ban on extradition of traffickers to the United States, and they have pressed, through the media, for criminal code legislation that would extend additional legal concessions to traffickers who surrender.

Corruption and intimidation of public officials by the cartel has come to be rather common once the legal process in Colombia begins to make headway against drug kingpins.

We continue to obtain intelligence on these matters and work hard on them, but the Cali cartel is a very vigorous organization and they attempt to extend their reach very broadly within the Colombian political system.

Mr. LANTOS. Well, were these charges to be proven true, how would that affect our international antidrug strategy?

Mr. WOOLSEY. Mr. Chairman, I cannot think of anything more that I can really say on this in an open session.

CHINESE TRIADS

Mr. LANTOS. Well, let me move on to the security threat from the Chinese triads. First of all, could you gentlemen give us a brief description of how these triads are organized; how effective our efforts have been both in China, Taiwan and in Hong Kong in disrupting triad activity; and whether you think that adequate resources are allocated to combat Chinese triads in the United States?

Mr. WOOLSEY. Let me say just a brief word about their structure and then turn it over to Tony and Brian to fill in details.

The triads are involved in a number of criminal enterprises: drug trafficking, alien smuggling, gambling, extortion. They are really rather fluid associations of criminals and of quasi legitimate businessmen in networks that are based on cultural ties, geographic ties, sometimes linguistic ties.

They are not regimented and structured and centrally controlled the way we are used to viewing, for example, an organized crime family associated with a Sicilian Mafia.

The elites in the triads are usually pretty fragmented and they are kind of isolated from the rank and file. Lower level members commonly organize ventures on their own without a lot of communication with the top levels.

They are also inclusive rather than exclusive. They will fold into an individual criminal enterprise nonmembers who are not affiliated with them otherwise. So they are, in many ways, a rather distinctive and different kind of criminal organization than many that we are used to working on.

Let's see if Tony, you or Brian, can comment further.

Mr. SODERHOLM. I would add that one of the really significant threats of these triad organizations is that in fact their activities do span international boundaries and they reach out to wherever there are ethnic Chinese communities overseas. And because of the ethnic elements of these organizations, they make an extremely difficult target for law enforcement agencies everywhere to penetrate.

Members of a single triad may often be active in different enterprises and they often use profits and resources from some activities to finance or support others. Drug trafficking and alien smuggling are the two issues that we are most concerned about.

Mr. LANTOS. Congressman Royce.

Mr. ROYCE. Thank you, Mr. Chairman.

I would like to cite two examples of a problem I see here, if we can get back to Russia just for a moment.

In respect to our larger goal of fostering a democratic and free market transition in the former Soviet Union, and Director Woolsey, you mentioned that of the 2,000 banks in Russia today, a majority are controlled by organized crime, according to the Ministry of Internal Affairs.

Well, the Russian Federal Agency for Government Communications and Information controls all electronic banking transactions

in and out of the former Soviet Union. It is my understanding that the agency is essentially run by the former Eighth Chief Directorate of the KGB.

What this would seem to indicate is that it would be very difficult to investigate bank fraud and other kinds of financial fraud without the acquiescence of this agency.

Secondly, I also understand that the newly created tax police, the IRS-style agents, are largely staffed and run by agents of the former Fifth Chief Directorate, which was the old political dissident police. So what this means is that you have agents with strong coercive power now interviewing citizens, many of whom they were interrogating just a few years ago.

My point in raising these two examples is that it seems that perhaps it would be useful to use the framework of the former and current Russian intelligence and police services to analyze organized crime rather than using the Western model and experience with crime groups. I say this because it seems that on the one hand there is an overlap between many of the crime groups and their activities and these state agencies, and because this link not only complicated both our ability to analyze but also the Russian democratic government's ability to investigate and ability to prosecute organized crime, and; lastly, to the extent that the Russian citizen perceives these interlinkages and their government's inability to address them, their faith in democracy and their faith in markets will be severely undercut and so will our aid efforts.

So that would be my observation. I would ask for your response.

Mr. WOOLSEY. Well, essentially, I would say that I agree with you, Congressman Royce. We look at the electronic funds transfer networks for banks in Russia and the tax police and—let me put it this way. We see some old acquaintances of ours. This is one reason why this arrangement, this problem is not a problem of the same type as organized crime groups in Hong Kong, wherein one can cooperate with the Special Branch; or organized crime groups in Sicily, whereby one can cooperate with a courageous magistrate and a largely honest Italian police organization. This is a very different kind of problem.

It does not mean that the way we have dealt and the way law enforcement authorities in the United States have dealt with other organized crime groups are irrelevant, it is just that there is a heavy gloss here of infiltration of parts of the Russian Government and interaction between those parts of the government and either current or former security service personnel, such as different Directorates of the KGB.

So, essentially, we agree with you. It means that special burdens attach to the way in which we collect intelligence on these issues and the way in which we interact with our law enforcement colleagues and the way in which they conduct liaison with some portions of the Russian Government that are honestly involved in law enforcement.

Mr. ROYCE. Thank you.

Thank you, Mr. Chairman.

Mr. LANTOS. Congressman Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman.

Mr. Director, Section 123 of the fiscal year 1994 Defense Appropriation Act requires the CIA and the Department of Defense to submit a report to Congress along with their fiscal year 1995 budget request providing information on research and development projects relating to international arms control agreements. This report must include, "comments by the Arms Control and Disarmament Agency, ACTA, about the relevance of each project to the arms control priorities of the United States."

I understand that the ACDA comments are not included in the CIA portion of that required report, and I am wondering whether they were given an opportunity to comment or did they seek an opportunity to comment?

Can you tell me now or provide that answer for the record?

Mr. WOOLSEY. Let me provide something for the record, Congressman Bereuter.

I know there has been some discussion, and, indeed, there is a Presidential review directive looking at all of these issues and assessing the best way in which the various agencies can make a contribution consistent with their separate roles and missions.

But if it is all right, since that is under review by the National Security Council right now, I would prefer to reply for the record, if I could.

Mr. BEREUTER. All right.

Congressman Royce just discussed the charge about the Russian Mafia's control of the Russian banking system. That happens to be of direct relevance to a constituent inquiry I received lately, and I am not at all surprised to find that many other Members of Congress, as they have contacts with American firms from their districts and States involved in joint ventures and on export matters, are receiving requests for advice as to what is a legitimate functioning banking operation in the former Soviet Union States, especially Russia and the Ukraine.

How do they proceed is the question? We tell them that they should proceed carefully; but it would be nice if we could give them some other kind of assistance beyond that.

To what extent do you have information that you think would be important for our banking regulators and especially for our Department of Commerce and export agencies like OPIC and the Eximbank to have available to them? Is this something that you can or do provide? Where do we send our constituents for advice?

Mr. WOOLSEY. Yes, Congressman Bereuter, this is an area of substantial interest to us. It is a very important subject because it has a great deal to do with the ability of Western interests to establish joint ventures or to invest in or to trade with firms or organizations in Russia.

We have been rather vigorous in our recent efforts to understand this question, and let me ask Tony to say a word about the way in which we work with the Eximbank, financial regulators and the rest.

Mr. WILLIAMS. First, I would say your advice to your constituents to deal carefully is well-founded, and I would second that. And then to follow on specifically with the question, as I mentioned earlier, there is an interagency working group focused on Russian organized crime at which all of the appropriate government depart-

ments, including Commerce, Treasury, et cetera, have representatives.

We brief them regularly, and they are recipients of our intelligence reports as appropriate for each of them. We also have provided specific briefings to the various economic elements of the U. S. Government, and specifically Department of Commerce, for example, in response to questions along these lines.

I would, however, like to point out that a good deal of the information that we have is such that it is very difficult to share it in its specifics in particular, because of the sources and methods problem. In the organized crime area, this is a problem that has and will continue to beset us, and yet, I don't know that there is a good solution to it.

Mr. WOOLSEY. We can share in detail, of course, with the other government agencies, but their problem is passing on details sometimes to private citizens.

I might add, Congressman Bereuter, this is a perfect example of an area to which we are devoting increasing effort, very much driven by the importance of the issue to the stability of the Russian state and its economic prospects, and also to direct an immediate constituent interest, an interest of governmental consumers. It is also exactly the kind of issue that occasionally some people in the executive branch and Congress criticize the Intelligence Community for looking at because they say in the aftermath of the cold war you are just out there looking for a mission.

We were not looking for this one. People are sort of storming the battlements out at Langley trying to get as much information as they can about precisely this type of subject. It is one reason we devote the effort and attention to it that we do.

Mr. BEREUTER. I am certainly not among those who are critical of the agency for moving into this area. It is moving in that direction because it is in our national interest and because there is a demand for the information.

Let me go back to the gentleman's comments. I understand, of course, about the difficulty in revealing "sources and methods" of intelligence collection. Would it be fair to say, however, that the Department of Commerce and our Eximbank or OPIC or any of our trade development-related agencies will be able to say to an American firm who contacts them with respect to a specifically proposed financial arrangement, that when information has been made available to you that a financial institution in one of the former Soviet Republics is likely to have been infiltrated or under the control of the Russian Mafia, or any other disreputable forces, that they will be able to caution them specifically about proceeding with that bank.

Mr. WILLIAMS. I think that is a fair statement, yes, sir. We make every effort to advise the appropriate law enforcement agencies of information along those lines, and I know that procedures are set up to further pass that information along. So I think as a general statement, that is correct.

Mr. BEREUTER. So you will have something which indicates to an American firm that they should look very carefully at this particular arrangement, at least that kind of a clue to them that all may

not be well with that institution? Is that a reasonable expectation our commercial interests could have?

Mr. WOOLSEY. Certainly, we can work that way, Congressman Bereuter. Ultimately, it will be Congress' decision under the law whether we do or not. But let me just stress something—

Mr. BEREUTER. I am not asking you to make that statement, but you will be equipping the Commerce Department so they can provide meaningful information.

Mr. WOOLSEY. Yes. Let me add one further thing about Russian banks. This is a very fluid area and Russian organized crime is very aggressive in moving into banking operations, and most financing, you know, unless it is just for a very brief period of time for a specific transaction, has a certain long-term aspect to it.

The reason for general concern is that organized crime is moving daily to take such steps as making huge deposits into a bank somewhere in Russia, letting it sit there for a brief period of time until the bank adjusts its lending and its operations based on the size of its reserves, and then threaten to make a massive withdrawal, which would threaten a large share of the bank's reserves unless it cooperates with the group's wishes.

So this is a fluid area, and a bank which we might not have something on one day could, a week or a month later, be one that is falling under control of organized crime in Russia.

Mr. BEREUTER. What can you say, if anything, about the movement of Mafia accounts to third country banking institutions? I recall comments about the amount of money coming into Cyprus these days from the former Soviet Union, and it is a very impressive amount. How much of it is legitimate and how much of it is not, is certainly up to some question.

Mr. WILLIAMS. I would make two comments on that: One, we have numbers ranging in the tens of billions of dollars. To verify any specific figure is, quite frankly, beyond our means at this point in time. Suffice it to say, we are talking about billions. It is substantial.

And, again, the issue of the illegality of the funds, because of the way the money is moved and because of the peculiar nature of the Russian criminal codes, much of that money we might consider to be illegal but under Russian law it is not illegal. Nonetheless, from a practical as opposed to de jure perspective in the West, the money is mingled or comingled with legal funds that are held offshore and not returned.

I would also point out, sir, that there is no equivalent today in Russia of a RICO statute or organized criminal statute. So a great many activities that in the United States, and the West in general, are immediately in violation of laws, lacking those statutes, individuals can conspire to commit all sorts of crimes and they are in fact not themselves criminals.

Mr. BEREUTER. Thank you very much for your responses. I think maybe the Banking Committee ought to be looking at the same subject.

Thank you, Mr. Chairman.

Mr. LANTOS. Surely.

In conclusion, let me just make the observation that, until not long ago, the Soviet Government was one gigantic criminal gang.

It is therefore unsurprising that as one particular criminal gang disappeared, other criminal gangs have taken its place in various activities. And it would indeed be naive for us to expect the workings of a Swiss-like governmental structure to take the place of the Soviet regime.

Is there any concluding comment any of the three of you would like to make? We found this testimony extremely interesting and valuable and we look forward Director Woolsey of having you and your colleagues back.

Mr. WOOLSEY. Thank you, Mr. Chairman, we have enjoyed being here. This is a complex and difficult, and in many ways, an unsatisfying subject. We grew used to, for 45 years or so, having a rather central focus for our efforts in the world, and I think, frankly, Americans' tendencies toward Wilsonianism, in the sense that there are bad governments but everywhere good people, and once a bad government is gotten rid of, one can make the situation work.

All of those notions are somewhat complicated and jumbled up by this current situation, and it is exactly in the way that you describe.

We have in the organized crime groups around the world and, particularly in Russian organized crime, a situation in which we have succeeded in one of the remarkable, I guess I would call it a crusade, one of the remarkable crusades of all time, with the cold war for 45 years, we struggled and we and the reformers in the East together prevailed. And it has seemed to many people as if it is just not fair that all of these difficulties and problems ought to be cropping up.

There is a certain amount of denial that continues to go on, I think, in many American citizens' minds and in the minds of some within the American Government, both the executive and legislative branches on this issue.

But it is nonetheless the case that on the ruins of the Soviet Union and the ruins of the cold war, there are some very substantial and very different kinds of problems and they are serious and dangerous problems that are being presented to the United States and the West than those which we have grown comfortable in dealing with over the course of the last near half century.

I very much appreciate your efforts to illuminate these issues and to let us appear before you to try to help you in that effort.

Mr. LANTOS. Thank you very much, all three of you, it was extremely valuable from our point of view.

The second panel this afternoon consists of Mr. Leonard Specter, Senior Associate of the Carnegie Endowment for International Peace and Mr. Thomas B. Cochran, Director of the Nuclear Program at the Natural Resources Defense Council.

We are very pleased to have you gentlemen.

Your prepared statements will be entered in the record in their entirety, and we look forward to your testimony.

Mr. Specter, we will begin with you.

You should feel free to make whatever observations you have concerning the CIA Director Woolsey's observations.

The microphone is yours.

STATEMENT OF LEONARD S. SPECTOR, ESQUIRE, SENIOR ASSOCIATE, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

Mr. SPECTOR. Thank you, Mr. Chairman, it is an honor to testify before the subcommittee this afternoon.

I think there is no question in my mind that the threat of leakage of nuclear weapons or nuclear weapons materials from the former Soviet Union is by far the most serious nuclear proliferation challenge that we face. If the material does begin to leak, we would find ourselves not only with a nuclear nonproliferation regime very much incapable of dealing with the new problem, but, simply, it would become impossible to know what nuclear materials were available to particular countries, and constraining the spread of nuclear weapon capabilities would become vastly more difficult and, indeed, could become infeasible all together.

Although I cannot claim the expertise of Tom Cochran or William Potter, who worked on some of these issues, Soviet nuclear issues, for many years, I have studied the problem of proliferation for nearly two decades and have gained a fair familiarity with the kinds of experience that we have had in this country in dealing with the security of nuclear materials.

At the present time, I am attempting to get a solid understanding of the level of security over the nuclear assets in the former Soviet Union and especially Russia, where the bulk of materials of course are. What I would like to do today is to describe for the subcommittee some of the basic rules of thumb that I am employing as I attempt to grapple with this problem and to learn about it in the hopes that these guidelines might prove useful tools for you as well.

In addition, I want to highlight one or two points that came to my attention during my most recent meetings in Moscow last month.

The first "rule of thumb" is that there are a great variety of dangerous nuclear assets in the former Soviet Union that are potentially susceptible to theft or diversion for use in nuclear arms. These include, of course, deployed nuclear weapons, ranging from warheads on the tops of missiles to tactical nuclear weapons.

We have nuclear weapons in storage, components from nuclear weapons, the nuclear stuff that has come out of weapons and is now in storage after dismantlement. We have bulk weapons-grade nuclear materials in hundreds of ton quantities that are stored at various locations in Russia, and only a few kilograms of such materials might be sufficient for a nuclear device.

The submarine reactor fuel problem has been highlighted in Dr. Potter's testimony. It is another dimension of the problem because many submarines use weapons-grade material as fuel for their reactors. This is manufactured and transported around the country prior to insertion in these reactors.

We also have weapons-grade nuclear material also used in research reactors at civilian research institutes around the country.

We have, moreover, plutonium extracted from civilian nuclear power reactors. And, in addition, there are quantities of weapons-grade nuclear materials, that have been distributed strictly for the

purposes of being examined and experimented with at a number of such research institutes.

All of these items are potentially susceptible to threat or diversion during transit to their many different elements here that are worrisome. Given the secrecy surrounding this subject, it is not possible for me to offer a judgment about the adequacy of security at specific locations in Russia or elsewhere, but enough information is available to validate a second basic rule of thumb, and that rule would be that security is probably best where nuclear weapons are concerned, which are under military control and which are guarded by elite troops, such as the Strategic Rocket Forces, while security is probably weakest with respect to weapons-grade nuclear materials at research institutes, which are guarded by nonelite Ministry of Interior Forces or perhaps local police and militia.

Security applying to weapons-grade nuclear materials within the weapons production complex, which are under the control of Minatom, the Ministry of Atomic Energy, also guarded by Interior Ministry Forces, probably falls somewhere in between. One U.S. official to whom I spoke in Moscow thought that security was fairly tight at these installations, but I have heard other comments elsewhere.

One thing that did come out during my discussions last month was this concern about the weaker security at some of the research institutes and, indeed, one individual with whom I spoke at Gosatomnadzor, that is the Nuclear Regulatory Commission in Russia, had to order the All Union Research Institute for Nonorganic Substances in Moscow shut down for 6 months because of lax security there. More than enough material for at least one nuclear weapon was available at the Institute.

This is all area that often does not get attention at the research institutes and deserves to be looked at more closely.

Dr. Potter, in his written testimony submitted to the subcommittee, has highlighted some additional episodes regarding the potential theft of weapons-grade nuclear materials, and I will just mention a couple of them.

The first was the disappearance of an undisclosed quantity of highly enriched uranium from the Luch Nuclear Research Facility at Podolsk near Moscow.

A second episode was the theft of three fuel rods containing highly enriched uranium from a naval base near Murmansk, again highlighting some of these other nuclear dangers involving materials rather than nuclear weapons themselves.

And, third, the seizure in Germany, I believe of a small quantity of highly purified weapons-grade plutonium. Potter points out that this is the first time this commodity has been seen on the black-market. I gather only a couple of grams were involved, so we are not talking about enough here for a bomb. Still, it means some installation where this kind of material was in use or was being processed has got an element of corruption inside it and that the security arrangements there were not adequate.

An additional case was mentioned by FBI Director Louis Freeh, which involved the possible theft of 2 or 3 kilograms of highly enriched uranium, a case that is being investigated in St. Petersburg.

I think what we are seeing here are a number of episodes involving these materials more generally, as none of them have yet involved actual weapon quantities of weapons-grade materials.

On the other hand, we have not yet had a real case of the theft of a Russian nuclear weapon, and I think the obvious conclusion is that the weapons are either considered to be more off limits, harder to get to, and/or are better guarded as compared to some of these other nuclear assets which appear to be increasingly attractive to organized crime and other elements in Russian society.

I would add that this pattern of differentiating the security arrangements for different nuclear items has also prevailed in the United States. One of the most egregious lapses that we have had occurred at UCLA a number of years ago where there was enough material in the form of research reactor fuel that was weapons-grade to make a bomb. This was being stored in a file cabinet with a simple lock. And that was the real essence of the security arrangements.

U.S. regulatory efforts, of course, changed, and in the United States we now have a rule of attempting to limit the use of these materials altogether. It was, however, a very troubling episode.

A third rule of thumb is the rule of unwarranted complacency. This too must be borne in mind. Traditionally, those in charge of nuclear weapons and weapons-grade nuclear materials invariably are loathe to acknowledge there may be weaknesses in their security programs.

In my meeting just last month with a senior official at the Russian National Security Council and in a separate discussion with a senior official at Minatom, both insisted there were no flaws in the security covering all of the Russian nuclear assets. Nonetheless, I think it is fair to assume that weaknesses do exist.

One basis for my assertion is our own unhappy experience in this country. During the early 1980's, notwithstanding assurances by U.S. Department of Energy officials that adequate levels of security were being maintained at DOE facilities, we found that there were gross flaws in our security practices.

These were discovered in the course of a series of exercises by mock terrorist teams, and I have attached some articles to my testimony highlighting this. Some of you may recall this about 10 years ago.

Even today the GAO continues to report that security at DOE facilities is not fully up to par, although it is my impression that the kinds of flaws they are finding do not measure up to those that we had about 10 years ago.

Finally, there have also been classified GAO studies detailing lax security concerning U.S. nuclear weapons—the weapons themselves—when they have been stored abroad. Thus, even for our most heavily protected assets, security has not always been adequate. I think this should be a cautionary reminder for our Russian colleagues.

Finally, a fourth rule of thumb, of course, is that the political and economic turmoil in Russia are likely to get a good deal worse before they get better. This is going to put further stresses on maintaining security over Russia's nuclear assets and could also increas-

ingly bring into question the allegiance of the guardians of these assets; allegiance on which the entire security system depends.

If living standards for military personnel continue their decline, and if power continues to devolve from the center to the periphery, nuclear guardians will become increasingly susceptible to subornation, even as Moscow's ability to instill discipline grows weaker.

The Clinton administration is working with Minatom and with Gosatomnadzor to try to improve security at Russian nuclear installations. They have been giving increasing emphasis to material accounting, which is very weak in Russia, and they have recently pressed the Russians to adopt a series of quick fixes at sensitive nuclear sites in order to improve security. They have also been proposing this idea of oppositional exercises, the mock terrorist exercises to challenge existing security arrangements.

Nonetheless, much, clearly, needs to be done, not the least persuading Russian officials of the urgency of the problem and that existing security measures may not be as tight as the officials believe. Moreover, none of these targeted new U.S. initiatives can hope to address the fundamental challenge to nuclear security in Russia, the continuing turbulence of the country's political and economic affairs.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Spector appears in the appendix.]

Mr. LANTOS. Thank you very much, Mr. Spector.

Before turning to Mr. Cochran, I would like to place in the record without objection the statement of Mr. William C. Potter of the Monterey Institute of International Studies.

I would like to express my appreciation to staff who prepared this hearing, Bob King, Ted Hirsch, Jon Peterson, and Jo Weber; and from the Republican staff, Mike Ennis.

[The prepared statement of Mr. Potter appears in the appendix.]

STATEMENT OF THOMAS B. COCHRAN, PH.D., SENIOR SCIENTIST, NATURAL RESOURCES DEFENSE COUNCIL

Mr. LANTOS. Mr. Cochran, we are very happy to have you.

Your prepared statement is entered in the record in its entirety.

You may proceed any way you choose.

Mr. COCHRAN. Thank you, Mr. Chairman.

My name is Thomas B. Cochran; and I am a physicist and Director of the Nuclear Program of the Natural Resources Defense Council.

I welcome this opportunity to present NRDC's views on the security of nuclear weapons and fissile material in Russia, and the administration's policies and programs for assisting Russia in improving its security over those materials.

I do not have any criticism of the testimony of the Director of Intelligence and can add little to his assessment of the situation in Russia, however, I do want to highlight a few of the reasons why we believe that the security of nuclear warheads and weapons-usable fissile material in Russia should be among the very highest U.S. national security concerns.

There are about 30,000 nuclear warheads in the former Soviets Union and about 1,000 tons of weapons-usable highly enriched ura-

nium and about 160 tons of separated plutonium in weapons or available for weapons, and another 30 tons or so of separated civil plutonium stored in Russia. Most, if not all of these inventories, are stored under inadequate conditions of physical security and material control and accounting.

Just to put this in perspective, 1,000 tons of highly enriched uranium—we do not know any of these figures very accurately—is 1 million kilograms. The United States has exploded a weapon of a yield of a kiloton, with something on the order of 5 kilograms of highly enriched uranium. So, a weapons worth 5 kilograms, versus 1 million kilograms in circulation in Russia.

The two instances that I think that have come to light—

Mr. LANTOS. But as you juxtaposed those two figures, one is compelled to draw a very serious conclusion that we are talking about a staggering amount of devastating material under circumstance of chaos.

Mr. COCHRAN. That is correct.

And now let us look at what has happened to date—the two most serious cases. One of them has been mentioned earlier. It involved a case where a scientist was caught with about a kilogram and a half of highly enriched uranium in his suitcase at the train station on his way to Moscow. He was arrested. But he removed a kilogram and a half of nuclear weapons material from the institution without getting caught.

The other case involves some unknown quantity of highly enriched uranium. I have heard numbers but cannot confirm their validity. It involved less than 1 kilogram of highly enriched uranium and a larger quantity of beryllium. This was not intercepted until it arrived in Lithuania where it was intercepted by Lithuanian authorities.

On the basis of these two cases, what we can say to date is that kilogram quantities of nuclear weapons material have been smuggled out of the institutions where they were belonged in Russia, and some fraction of these materials have gotten out of the country before they were intercepted. And, of course, this always raises the question of how many instances, or were there any instances, where they were not intercepted. Are there more serious cases that we just do not know about?

Director Woolsey mentioned that corruption is rife in the Soviet Army, and he gave a number of figures which are also in my prepared testimony. Here, one of the concerns that worries me the most is that there are special operations units, similar to our Special Forces units in the Russian military, that are trained how to use atomic demolition munitions, and they have the necessary knowledge, skills, and in some cases, access, to the nuclear weapons storage depots.

And current or former special operations soldiers, either for profit or political reasons, could steal portable tactical weapons, and as evidenced from the illegal traffic that is currently going on in conventional munitions, it appears rather easy to smuggle these weapons across the borders into Poland or some other Eastern European country and from there via a third party to anywhere else in the world, including the Middle East.

As we watch the situation in Russia deteriorate, we have also witnessed an effort by North Korea to gain nuclear weapons in violation of its Nonproliferation Treaty obligations and its International Atomic Energy Agency obligations. And also, as tens of tons of weapons-grade plutonium and highly enriched uranium are removed from retired weapons in the United States and Russia, there is an even larger and growing circle of plutonium that has been separated from civil power reactors spent fuel in Europe and Japan.

And, again, some of this is under inadequate material accounting systems, if not under inadequate physical security. Given the substantial nuclear proliferation risk today, building toward a comprehensive nondiscriminatory safeguards regime should be a high priority in its own right. If such a program were initiated promptly, even on a bilateral basis with Russia, we would improve our chances of achieving an effective international safeguards regime that can prevent proliferation by providing the international community with timely warning of any theft or diversion from peaceful uses.

A comprehensive nuclear nonproliferation program would include, among other things, achieving a universal global fissile material control regime, with the minimum objective of having all retired weapons and weapons components subject to some type of monitoring, and other fissile materials stored under international safeguards, such as those in the IAEA.

The Clinton administration's nonproliferation policy, and that of previous administrations, does not have as one of its objectives building toward a comprehensive nondiscriminatory safeguards regime that covers all nuclear weapons and weapons-usable fissile materials.

Now, I have, in my prepared text, reviewed a number of areas related to the efforts by this administration and the previous administration to assist the Russians with regard to safeguarding their nuclear weapons and fissile material. The record here is not good, and rather than go through each of these areas, I will focus on what I believe should be the highest priority area. The other areas are covered in my prepared statement, but the highest priority area should be providing adequate physical security and material control in and accounting of nuclear warheads and fissile materials in Russia at existing facilities.

Since the United States is paying for a major share of the storage facility in Russia that will be used to store fissile material removed from weapons, Russia has indicated it would be appropriate for the United States to have some yet-to-be defined level of transparency over the material stored in that facility. But this does not address the immediate problem of the adequacy of physical security and material accounting at Russian facilities used for storage and processing weapons-usable materials today.

With respect to what should be the highest priority, safeguarding existing facilities, the administration's approach is too narrowly circumscribed, it is too slow in its implementation, and it has been marked by failure. The administration has no program, no program whose objective is to improve the physical security of the thousands

of nuclear warheads in interim storage prior to their disassembly at existing facilities.

As noted earlier, many of those weapons are stored under inadequate physical security at facilities designed for the storage of conventional munitions. We have no program, because the Russian Ministry of Defense will not give the U.S. access to Russian nuclear weapon storage sites, except on a reciprocal basis, and the Pentagon, will not engage in any program that gives Russia access to U.S. operational nuclear weapons or those retained as an inactive reserve.

The U.S. program designed to safeguard Russian warheads is limited to two inconsequential programs for providing Kevlar armored blankets and secured railcars under the DOD-administered Safe Secure Dismantlement Program. The U.S. proposals for improving the safeguards over fissile materials presently in storage in Russia have been unsatisfactory to date. Not one single improvement has been made in the physical security or material control and accounting at a fixed facility in Russia as a consequence of funds allocated by Congress under the Soviet Threat Reduction Act of 1991, The Nunn-Lugar Act.

The U.S. proposals have not provided sufficient incentive for the Russian Ministry for Atomic Energy to participate and the Russians have rejected or made meaningless the U.S. proposals to date. For the most part, the U.S. proposals provide no means by which the United States can determine independently the adequacy of material control and accounting and physical security at specific Russian sites, nor do they provide a capability to measure the success of the proposed U.S. initiatives.

In sum, the Soviet Threat Reduction Act of 1991, the Nunn-Lugar Act, has had as its fundamental purpose to destroy nuclear weapons, safeguard weapons in connection with their destruction, and establish verifiable safeguards against the proliferation of such weapons.

Now, some 2½ years later, we see that implementation of Nunn-Lugar by this and the previous administration have largely failed to accomplish its central purposes and it is unlikely to do so unless there are fundamental reforms in the administration's policies and implementation efforts.

The administration's programs can be characterized as attempting too little, moving too slowly and most regrettably it may even be too late to achieve the desired result. The administration's current package of initiatives will not succeed, there is no coherent comprehensive objective, there is no efforts to achieve a universal global safeguards regime that covers all weapons and fissile material.

There is no incentive for the key Russian ministries to participate. The administration is not making constructive use of the U.S. and nuclear weapons laboratory to attack this problem. The negotiation process is too slow to provide timely results.

That concludes my prepared statement.

Thank you.

[The prepared statement of Mr. Cochran appears in the appendix.]

Mr. LANTOS. Well, I want to thank you very much, Mr. Cochran.

Before turning to my colleague, let me just ask one question.

Your last observations were a devastating critique of both the Bush administration and the Clinton administration's approach to dealing with what, by consensus, we designated as one of the top national security issues of our country.

When Senators Nunn and Lugar came forward with what I thought was a very creative idea of providing major funds to deal with the safe disposal of Soviet nuclear weapons on a bipartisan basis, everybody applauded. If there is ever a nonpartisan issue, this ought to be one.

The legislation was sponsored by two distinguished Senators of our two political parties. I doubt that the Bush administration wasn't interested in implementing it, and I equally doubt that this administration is not interested in implementing it.

What stands in the way of what you see as a rational approach to it?

Mr. COCHRAN. First, let me say that this administration and the previous administration have made important progress in the reduction of delivery systems and their efforts to get the, move the Ukraine, Kazakhstan and Belarus, have them remove their weapons back to Russia and join the NPT.

The failure is with regard to safeguarding the warheads in the dismantlement process.

Mr. LANTOS. I understand that, but collecting the weapons from Belarus, Ukraine and Kazakhstan is step one. And an inescapable step 2, is what you are dealing with. So I would like to ask you to give me a rational explanation as to why two administrations with tremendous bipartisan congressional support have not made any headway on this issue?

Mr. COCHRAN. There are two reasons, I think. One is the process, the negotiating process, for making improvement. The negotiating process with Russia is not among the highest priority issues of the country, and the process is very slow. If this were a nuclear reactor accident, the administration would jump and if it were the Three Mile Island accident, the entire bureaucracy would be focused on getting on top of the problem.

In this case, it is sort of "business as usual" in the negotiating process.

The Vice President and Prime Minister Chernomyrdin meet semiannually. In-between those meetings there are negotiations by Ambassador Goodby that are at a much lower level in the bureaucracy. So the process from one negotiation to the next takes about every 6 months. It is just far too slow to get emergency measures into the former Soviet Union on a wide variety of fronts.

Second problem is that the Pentagon has been unwilling—

Mr. LANTOS. Mr. Cochran, if I may interrupt you, please forgive me. We have a live vote going on, so Congressman Bereuter and I will quickly cast our votes and then come back.

The hearing is in recess.

[Recess.]

Mr. LANTOS. Subcommittee will resume.

We will continue with your answer, Mr. Cochran.

Mr. COCHRAN. Mr. Chairman, the second problem is that the Pentagon does not want Russian oversight over U.S. facilities that

store nuclear weapons or are involved in the manufacture of nuclear weapons. And since anything we do with the Russians will have to be on a reciprocal basis, this has prevented the United States from going forward with programs that would deal directly with the weapons and the most sensitive facilities.

Now, there has been something of a breakthrough within the last couple of weeks in conjunction with Energy Secretary O'Leary's openness initiative. She went to the Pentagon and they have now agreed to initiate a bilateral data exchange with the Russians, including some undefined verification measures, transparency measures involving chain of custody of warheads that have been slated for retirement and everything downstream from there. So the administration is now prepared to negotiate with the Russians some sort of safeguards over everything except operational warheads and warheads that are in the inactive reserve category.

That is a breakthrough, but if you combine it with my earlier comments, they will prepare a paper for Vice President Gore to present to Prime Minister Chernomyrdin later this fall and then it will be another 6 months before you get some negotiations at the Goodby level, and this will drag out for several years. And it is just not a schedule that will enable the United States to have some safeguards oversight on a reciprocal basis in a short period of time.

Now, an alternative proposal would be to make this a high-priority, mainline activity of the national labs—the nuclear weapons labs in the United States and Russia. But they would have to have a mission. The mission, in my view, should be construction—initially on a bilateral basis with Russia—some sort of safeguards regime that goes beyond the categories of materials covered by the IAEA, which is limited to fissile materials in nonweapon states.

So we need to develop a safeguards regime that covers weapons and material removed from weapons in weapon states, and mainly in Russia. We should do this initially on a bilateral basis, because the United States and Russia have most of the material, and it has to be with full reciprocity, otherwise the Russians would not be interested.

And it has to be, if it is made a mainline mission of the weapons labs—I think the Russian weapons labs people would take a large interest in the program and if this were backed by substantial funding so that the Russians lab people are paid for their work. This is, in effect, another way to get at the brain drain problem, and do this on a high priority, very urgent basis with the objective of getting tags, fiber-optic seals, intrinsic fingerprints and so forth on all weapon—let's say on as many weapons and as many canisters as one can, given the limitations that will be imposed by not wanting to give away design secrets. I think one could move this program along fairly rapidly.

In 1991, when the Soviet Union started falling apart, NRDC held a workshop in Moscow, in Kiev with the Russian Foreign Ministry officials and Russian Ministry of Defense officials, and Ukrainian Ministry of Defense officials, and we showed them fiber-optic seals, intrinsic fingerprint tagging techniques, all materials—and bar code materials, like you have in shoe stores and grocery stores.

All of this technology is commercially available. All of it is very cheap.

We said we will buy the technology, all of it, and furnish it to the Russian Ministry of Defense and Ukrainian Ministry of Defense, if they would go out and tag all the warheads in Ukraine and start setting up a material accounting and control regime. The Russian Ministry of Defense official said they would not do it. It had to be a government-to-government program; it had to involve the United States and had to be with complete reciprocity. That proposal just languished because of the U.S. Government's refusal to take it up.

In February of 1992, Foreign Minister Kozyrev, in a speech in Geneva, on February 12, proposed building an international fissile material control regime covering all warheads, all fissile material production facilities and materials in storage in all the weapon states. That proposal was never answered by anybody in either the Bush administration or the Clinton administration, and no other alternative proposal was put forward as a substitute.

And so what we have—you can say that the administration is heading in the right direction, they have a number of initiatives on the plate, but you cannot pull them all together into a comprehensive coherent package that covers all of the things that needs to be covered, and they are being negotiated too slowly to accomplish anything within a reasonable time period.

Mr. LANTOS. Just this past week Prime Minister Chernomyrdin was here, as you know. Some of us had lunch with him and the Vice President. Mr. Chernomyrdin and the Vice President signed 26 agreements between Russia and the United States. This clearly would have been one of the most important sets of agreements.

I am still at a loss in understanding the slowness that you allege, because it clearly is not in the interest of this government to proceed slowly on this issue, and there have to be other reasons than their inability to move faster because there is no Three Mile Island or Chernobyl-type crisis.

So while I appreciate your answer, I must admit I remain unsatisfied, because it simply makes no sense to me that on a matter of such importance, with our people clearly understanding all the technological and technical and physical issues involved, why they would not be willing to move more rapidly on the negotiating track.

Mr. COCHRAN. The Vice President Gore and Chernomyrdin signed an agreement that had been initialed earlier by Ambassador Goodby in Moscow related to shutting down the three remaining production reactors, plutonium production reactors in Russia.

Mr. LANTOS. Yes.

Mr. COCHRAN. And this is one of about four issues I went through in my testimony.

Mr. LANTOS. Yes.

Mr. COCHRAN. First, let me say that those three production reactors are producing about a ton of plutonium a year.

Mr. LANTOS. Yes.

Mr. COCHRAN. Adding to what is probably an inventory of about 200 tons of plutonium in Russia.

Mr. LANTOS. Yes.

Mr. COCHRAN. So there has been a great deal of focus on securing safeguards over the future production for 5 years between year 1995 and the year 2000.

Mr. LANTOS. I understand.

Mr. COCHRAN. Which would mean 5 tons of plutonium. In the meantime, there has been absolutely no progress, no progress in improving physical security with respect to the other 200 tons of material in Russia. So this particular agreement is focusing on 5 percent of the plutonium problem.

Now, in that agreement, I will just point out some of the problems, and they are not necessarily problems of the Clinton administration, the Ministry of Atomic Energy in Russia has its share of the blame, but this agreement does not cover the two reactors at Chelyabinsk that produce tritium for the Russian program.

These two reactors have a capability of producing about half a ton to 1 ton of plutonium per year, and the space fuel from these two reactors is processed at one of three chemical separation plants in Russia. The other two are collocated with the three production reactors that Russia is proposing to shut down.

Half of the plutonium that is separated in Russia today is separated at this facility which is not covered by the Gore-Chernomyrdin agreement. And one of the reasons it is not covered is that this facility also processes Russian naval fuel. Russian naval fuel is not under the agreement because we will not offer any oversight over U.S. naval fuel facilities. So you are leaving out, even in terms of the production of new plutonium, you are leaving out one of three reprocessing plants, two of five reactors, and half of the plutonium separation in Russia.

So, it is just not real effective progress in getting your hands around the whole picture over there.

Mr. LANTOS. You have been very helpful and we will asked the administration to respond to this.

Congressman Bereuter.

Mr. BEREUTER. I find your comments, Dr. Cochran, to be very disturbing and almost unbelievable. To reiterate what the chairman first started off with in your statement with respect to results of the Nunn-Lugar propositions, you say, "not one single improvement has been made in the physical security or material control and accounting at a fixed facility in Russia."

I think that is what prompted part of the chairman's initial concern, and I had also flagged that because that just is a pretty disturbing and shocking statement.

Gentlemen, I appreciate your testimony. I think we are just beginning to scratch the surface. As the chairman said, we really need to have some answers from the administration on the allegations that you have just made.

Back in November of last year, in a testimony submitted to this subcommittee, Rensselaer W. Lee of the Global Advisory Services, noted "that the Russian emigres are brokering the nuclear arms businesses. One example is the Kuzin International Group, based in Vienna. According to the Italian newspaper, *Corriere della Sera*, this group is run by a reputed former KGB colonel named Aleksandr Victorovich Kuzin in cooperation with other former KGB types. It markets a variety of strategic products such as uranium,

plutonium, explosives, missiles and helicopters, peddling these items to clients in Pakistan, India, Argentina and the Middle East."

And the noted terrorism expert, Clair Sterling, speaking last week to the Republican Policy Committee, also gave reports about Colonel Kuzin operating in Vienna promising, "to supply nuclear materials to anyone willing to pay the price."

All of these things seem to suggest a breakdown, of course, in the inhibitions and constraints. I would be interested in your views, gentlemen, as to what future trends we might have in this area and what you would say if anything about your knowledge of the Kuzin operations or Kuzin-type operations that exist in neutral countries or the West.

Mr. SPECTOR. I have not seen any specific information on that particular operation, but we have seen repeated stories of this kind that have been coming out. I think the trick is to try to distinguish between what are often spurious offers or sometimes journalistic hyperbole on the one hand, which may overblow the problem a bit and put one off the scent of what is really going on, versus a more sober appreciation that even though we may not be seeing significant exports of weapons-grade nuclear materials, this could certainly be in the offing.

We are seeing enormous criminal interest in nuclear things in general. We are seeing various episodes where we know security is lax or where we have actually seen small quantities of very sensitive materials moved around. While we—at least I tend to dismiss some of the more lurid accounts on the one hand—I think there is enough evidence of a serious issue here that we have to stay on top of it and attempt as best we can to press forward with additional fixes.

It was my impression in the last month or so that the administration, specifically Frank Von Hippel at the Office of Science Policy, and Gloria Duffey and Rose Gottmoeller and some others had been pressing for very rapid improvements of security arrangement at individual nuclear sites in Russia. In other words, while we have the agreements and longer-term efforts underway, another part of the administration, with some responsibilities here, are also pressing for some very rapid upgrades.

I do not believe the administration efforts are entirely on this sort of extended time period track that Tom was alluding to. I think there are also some more high priority efforts underway.

Mr. BEREUTER. Dr. Cochran, do you know anything about the allegation about Colonel Kuzin. Secondly, I have a question regarding a global safeguards regime for fissile material control in this position. Does that then involve the United States actively discouraging the civil production of plutonium in Europe and Japan. If it does, does this jeopardize their cooperation on other nonproliferation issues?

Mr. COCHRAN. I do not know anything about the Kuzin issue that you have raised.

With respect to building a—with the Russians, toward a global fissile material control regime, initially that would be on a bilateral basis with the Russians. The Russians share an objective with the Japanese and some European countries in closing the civil nuclear

fuel cycle, so at least so far as building toward a bilateral regime with Russia, it would not include—that part of the program would not include criticism of the Japanese or Europeans.

Mr. BEREUTER. But as I understand it, Dr. Cochran, you are proposing to move toward a global safeguards regime.

Mr. COCHRAN. That is correct. But the main thrust of my remarks is to put some—to have some sort of monitoring, either bilateral or international over those categories of materials that are not now covered by the IAEA and that really means the materials in the weapons states.

Mr. BEREUTER. So that does not imply we would be asking for some sort of limitation or exclusion of civil production of plutonium.

Mr. COCHRAN. No, but as a separate matter, I would encourage that.

As a separate matter, we have a global glut of separated plutonium. And, on the one hand, you have, on the civil side in Japan, U.K. and France, commercial programs for taking plutonium out of spent fuel and putting it into storage; and, at the same time, we have other government programs whose purpose is to take plutonium that is already separated out and put it back into something like spent fuel.

Now, there is something inherently inconsistent there and what we should have—

Mr. LANTOS. It is analogous to subsidizing tobacco and urging people not to smoke; is that correct.

Mr. COCHRAN. That is correct. So the logical thing to do would be having an overarching objective of capping and drawing down the global stocks of plutonium, both civil and military, and that is going to take some doing to, in negotiations both with our allies in Japan and Europe, to get them to try to curb their production or separation activities while, at the same time, we try to solve the situation in Russia and the United States in disposing of the military stocks.

Mr. BEREUTER. Thank you.

Thank you, Mr. Chairman.

Mr. LANTOS. I want to thank both of our witnesses for immensely valuable input. This was a most significant hearing and we look forward to continuing it.

This hearing is adjourned.

[Whereupon, at 3:45 p.m., the subcommittee was adjourned.]

CHALLENGES TO U.S. SECURITY IN THE 1990's: BUILDING OPEN SOCIETIES: PROM- ISES AND PITFALLS (PART 5)

MONDAY, AUGUST 1, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL SECURITY,
INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS,
Washington, D.C.

The subcommittee met, pursuant to call, at 2:03 p.m. in room 2172, Rayburn House Office Building, Hon. Tom Lantos (chairman of the subcommittee) presiding.

Mr. LANTOS. The Subcommittee on International Security, International Organizations and Human Rights will be in order.

It is commonplace to observe nowadays that the initial euphoria after the fall of the Communist regimes in Eastern and Central Europe, and the former Soviet Union has given way to widespread alienation, suspicious and disenchantment as the peoples of these regions continue to see their expectations for a better material life go unfulfilled while crime, corruption, unemployment mount daily. While there appears to be little reason to fear a return to the totalitarian regimes of the past, there is no certainty that stable democratic market-oriented societies will evolve.

Some scholars, like Professor Schmitter of Stanford, have noted the possibility of ad hoc democracies muddling through but never really taking root or gaining legitimacy. They continue almost by default, but as time goes by, they are beset by an ever-increasing number of internal and occasionally external threats to their survival.

The Weimar Republic of the two generations ago is a good example. Obviously, such a situation provides fertile ground for extremists who seek to advance their narrow interests at the cost of the general good. They are more than happy to attack the institutions of the pluralistic and open society, which they perceive to be inimical to their goals.

As it has happened in that part of the world in the past, it could happen again. If the peoples of this region are not vigilant in promoting or protecting their newly won liberties and if they don't receive much more material support than they have from the West, these societies could collapse.

Our distinguished opening witness, Mr. George Soros, states this case most eloquently and most soberingly, and I am afraid I have to agree with him.

The best opportunity to help the countries of Eastern and Central Europe and the former Soviet Union was obviously at the start of this new era. It was then that the West should have launched a dramatic, creative and far-reaching programs, comparable in scope, perhaps, to the Marshall Plan. But that chance was missed, and it is unlikely ever to return. One might speculate as to why that chance was missed.

In my judgment, it was missed because of the lack of political leadership. It is helpful and instructive to remember that Harry Truman had 17 percent support for the Marshall Plan when the Marshall Plan was proposed. With a 17 percent support, he nevertheless went ahead because he had the courage of his convictions and had the political will and the personal determination to succeed.

In an insightful article in the recent issue of *Foreign Policy*, Professor Michael Mandelbaum of John Hopkins University discusses why it is impossible for Western nations to avoid being drawn into local political conflicts, even when they are providing humanitarian assistance only to civilian populations or economic development assistance. It is clear that political conflict is part and parcel of the local scene and the attempt to become involved in a purely economic development or humanitarian mission is unlikely to be successful.

I am delighted that we have with us today three distinguished citizens who bring honor to themselves, their organizations and our country by their extraordinary activism and abiding commitment to assist the development of democracies abroad.

Our first witness, Mr. George Soros, needs little introduction, but he will be introduced nonetheless. He is that rare combination of financier and philanthropist who is devoting his talents and his resources to advancing open societies in parts of the world that were formerly ruled by dictatorial regimes.

With a network of some 24 foundations in the former Soviet Union and Eastern Europe, he has reshaped the character of the political, economic and cultural landscape. I will have to state for the record that his philanthropic contributions increased from approximately \$3 million 10 years ago to \$300 million last year. One only wishes that major governments could function as creatively and as generously as his organizations do.

With the implosion of the Soviet empire many of us thought that the totalitarian and closed societies would be automatically replaced by open, democratic, free societies. In fact, the likelihood was far greater that without lubrication by the West, those rigid totalitarian regimes would be replaced by chaos and degradation. That is, in fact, what has happened, but we still have an opportunity through a rapid integration of some of these societies into the European Union and NATO, to try to make up for the mistakes of the past. But a unique historic opportunity which was ours to seize in 1989, 1990, maybe 1991, is now gone forever.

Before calling on our first witness, I would like to call on my good friend from Indiana, Congressman McCloskey, who has played such a critical role in trying to preserve a civilized society in the former Soviet Union.

[The prepared statement of Mr. Lantos appears in the appendix.]

Mr. LANTOS. Congressman McCloskey.

Mr. MCCLOSKEY. Thank you, Mr. Chairman.

I would just like to strongly welcome Mr. Soros. I look forward to the testimony and appreciate very profoundly all his efforts in this area.

Mr. LANTOS. At this point, I would like to call on Mr. Soros to begin his testimony.

Your prepared statement will be entered in the record in its entirety. On behalf of the committee, I want to welcome you to this hearing.

STATEMENT OF GEORGE SOROS, INTERNATIONAL FINANCIER AND FOUNDER, SOROS FOUNDATIONS

Mr. SOROS. Thank you very much.

Would you like me to submit my prepared statement or—

Mr. LANTOS. Well, I think it is sufficiently brief and there are so many good points that I think it would be helpful if you were to read it.

Mr. SOROS. Very good. So I welcome this opportunity to testify before your committee on the dangers of the post-Communist world. I feel reasonably well-qualified to speak on the subject, and I have a great deal to say, perhaps too much for this hearing.

I have devoted much of my time, energy and money to Central and Eastern Europe and the former Soviet Union in the last 5 years because I believed that the collapse of the Soviet system was a historic, revolutionary event, and that the outcome would shape the course of history.

I have established a network of foundations whose aim is to help and promote the transition from a closed to an open society. Actually, I set up the foundation in 1979 and started the first local operation in my native Hungary in 1984, but my involvement increased as the collapse of the Soviet system accelerated.

There are now foundations operating in 23 different countries, and my annual contributions have risen from \$3 million in 1979 to \$300 million in 1993—but the amount of dollars spent is not the best indication of the efficiency of the operation because some of the best projects take the least money.

At the time I became involved, Communist dogma had given rise to a closed society in which the state was dominated by the party and society was dominated by the state. The individual was at the mercy of the party-state apparatus.

Communist dogma was false exactly because it was a dogma which claimed to incorporate the ultimate truth. It could be enforced only by doing a great deal of violence to reality and, even then, it could not be sustained indefinitely. The gap between dogma and reality became ever more evident, the sway of dogma over people's minds ever more tenuous, until, eventually, the regime collapsed in a rapidly accelerating fashion that amounted to a revolution.

There was a moment of euphoria, in 1989, when people felt liberated from an oppressive regime, and that moment could have been used to set into motion the transition to an open society. That was the opportunity I saw which induced me to throw all my energies

into the process. But I must now admit that the moment has passed and the opportunity has been missed.

Mr. LANTOS. May I stop you here for just a minute? It is rarely given to any generation to be sitting at a ringside seat at a climactic moment of history. And while it would be flattering to believe that some people were more intelligent than the rest of the world, that is not a realistic assumption.

Why do you think that the leadership across-the-boards in the West was unprepared, unwilling, incapable or too timid to seize that historic moment? Perhaps I should be a little more precise in my question.

Chancellor Helmut Kohl of Germany is the sole exception, not because of greater brilliance, wisdom or foresight, but with the unification of Germany, he had no option: the 17 million East Germans would either get on a train and go to Stuttgart or Hamburg, or they would be provided vast transfers of resources from what used to be West Germany. And if I am not mistaken, about \$100 billion annually is pumped from West to East Germany. So the Germans did it.

They didn't do it because of foresight; they did it because they had no other option. Why didn't any of the other leaders in the West see what at the time seemed to obvious to some of us and is obvious to everybody in hindsight?

Mr. SOROS. Well, actually, I tried to address this question in my testimony.

Mr. LANTOS. I will let you go ahead then.

Mr. SOROS. And if you would like, I could leave the—I could go right to that section.

Mr. LANTOS. I did not want to interrupt the flow of your argument, because I think it is very valuable, but I felt since you made this point, that the moment has passed and the opportunity has been missed, and it is difficult to argue with that conclusion.

Mr. SOROS. Well, the point I would like to make at this stage is that even though that opportunity was missed, the game is not over. You know, history goes on. It is going to be a much more laborious process, but I think that we should learn from the lessons that we have missed, we should learn from what has gone wrong, and I think we can still go a long way putting them right.

I do think that things could have been done at the heat of the moment much faster. I mean, you could have really given the transition a momentum, which would have carried it much faster. And now it is going to be a longer, a long, drawn-out affair. But it is by no means over.

Mr. LANTOS. Please go ahead.

Mr. SOROS. The breakdown of a closed society doesn't automatically lead to an open society, because an open society is a more advanced, more sophisticated form of organization than a closed one. Freedom is not merely the absence of repression. A society in which people are free requires institutions which protect freedom and, above all, it requires people who believe in those institutions.

The institutions themselves need to be much more sophisticated because they must allow for the expression of different views and interests, whereas a closed society recognizes only one point of view, the ruling one. In short, the transition from a closed to an

open society is a step forward and upward and it cannot be accomplished in one leap without a helping hand from the outside. That was my motivation for getting so involved.

But the open societies of the free world were not similarly motivated. There was a lot of goodwill toward Eastern Europe at the time but somehow it was not translated into effective action. Government policy, both in Europe and in the United States, was characterized by a singular lack of comprehension and lack of vision.

Compare the reaction to the collapse of the Soviet empire with the collapse of the Nazi empire. Then, the United States still had the vision, and the generosity, to engage in the Marshall Plan, and the Marshall Plan worked wonders. It didn't merely provide assistance, it provided a framework for the countries of Europe to cooperate. It didn't merely send technical experts to impart their wisdom, it brought large numbers of Europeans to the United States and allowed them to form their own agenda.

We seem to have forgotten all these positive experiences. By the time the Soviet empire collapsed, there was no political support for any kind of large-scale assistance and the Marshall Plan had become a dirty word.

In the absence of Western leadership, the collapse of the Soviet system didn't lead to the emergence of open societies. Moreover, there can be no assurance that what was not accomplished in the heat of the revolutionary moment will be attained by a slower, more laborious process. On the contrary, insofar as a pattern is emerging, it is pointing in the opposite direction.

The breakdown of a closed society based on the universal dogma of communism has lead to a widespread rejection of all universal ideas, and the countries which used to constitute the Soviet empire are trying to find an organizing principle in their own particular history. There are, of course, exceptions to the rule.

But the dominant theme which seems to be emerging is national or ethnic identity, rather than any universal concept such as democracy or human rights or the rule of law or open society.

This creates a very dangerous situation because national grievances can be exploited to form more or less closed societies, and that is a recipe for conflict. In order to mobilize society behind the state, you need an enemy, and if you do not have one, you have to invent one. That is what Hitler did when he identified Jews as the enemies of the German Volk, and he has many imitators in the post-Communist world. Unfortunately, there is no shortage of grievances because Communist regimes used to suppress all national or ethnic aspirations which did not suit their purposes.

Although some of the nationalist leaders are former dissidents, former Communists are usually more adept at exploiting national sentiment because they understand better how to operate the levers of power. They can forge greater national consensus than democratic leaders striving for an open society. Look at Milosevic in Yugoslavia, Tudjman in Croatia, Meciar in Slovakia, Kravchuk in Ukraine, and compare the kind of majorities they could muster at the height of their popularity with the narrow political base that pro-Western democratic governments had to contend with in countries like Russia, Poland, Bulgaria, or Macedonia.

In this context, I don't find the recent electoral victories of former Communist parties in countries like Hungary, Poland or Lithuania disturbing at all. These are reform Communists who want to get away from communism as far as possible. Their reemergence constitutes a welcome extension of the democratic spectrum. I am particularly pleased with the outcome of the recent elections in Hungary. The nationalist line was rejected by the electorate, and the fact that the Socialist Party entered into a coalition with the free Democrats on the basis of a well-conceived and well-articulated reform program augurs well for the future. In the case of Poland, the change over is less fortunate because the radical and painful reforms undertaken in 1990 had just begun to bear fruit and the government had just begun to function properly when it was defeated. But the course of reform is irreversible and Poland is probably the most dynamic country in Europe today, both in terms of its economy and its spirit. The worst that can happen is that it loses some momentum.

All in all, I see hardly any chance of a return to communism. Communism as a dogma is well and truly dead. The real danger is the emergence of would-be nationalist dictators—I call them “NADIs” for short. They are playing in a field that is definitely tilted in their favor. It is much easier to mobilize society behind a real or imagined national injury than behind an abstract idea like democracy or open society. Building an open society is essentially a constructive process, and it is only too easy it use ethnic conflict to undermine the foundations.

Take the case of former Yugoslavia, a relatively prosperous country which had been open to the West for 20 years and had developed the intellectual resources which are needed for an open society. I remember 1990, when monetary reform was introduced in Yugoslavia and Poland at the same time. Yugoslavia was much better prepared to carry it out. It had a group of people who had been trained by the IMF and the World Bank, and the reform was, in fact, much more successful than in Poland. That was in May 1990. Then Milosevic raided the Treasury in the course of his electoral campaign and destroyed monetary stability. That was the end of the attempt to transform Yugoslavia into an open society.

And now we have an even more striking example: Greece. Here is a country that is a member of the European Union, of NATO, fully integrated into the international community. Yet it has been possible to whip up national sentiment to a frenzy over the name “Macedonia.” A small and weak neighbor to the North is blown up into a threat to the territorial integrity of Greece. Admittedly, there is a minority in Macedonia which harbors irredentist dreams based on ethnic injuries suffered in the past. But the Government of Macedonia is genuinely devoted to the creation of a multiethnic, democratic state. It is ready to make every concession short of giving up its own identity. But Greek public opinion resonates to the Macedonian extremists, not to the Macedonian Government, and the issue has been exploited for domestic political purposes in Greece.

In the meantime, the Macedonian economy, already severely damaged by the sanctions against Serbia, is collapsing under the weight of the Greek embargo. The railroad connection runs north and south, and Macedonia is cutoff on both sides. As a result,

heavy industry, which relies on rail transportation, has been brought to a standstill. The economic crisis is endangering political stability. The multiethnic, democratic coalition is threatened by extremists on both the Slavic Macedonian and the Albanian sides. It may easily fall apart in the next elections and, if Macedonia falls apart, we have a third Balkan war.

As you can see, there is plenty to worry about in Eastern Europe. When I embarked on my project, I was planning a short-term campaign to seize the revolutionary moment and to provide an example that would be followed by the more slowly moving, more cumbersome institutions. But I was sadly mistaken. Now, I must think in biblical terms, 40 years in the wilderness. The battle for open society is not lost, as the examples of Poland and Hungary demonstrate, but it will take a long time and a lot of help from the outside and that is what I am worried about.

I have always been aware of a fatal weakness in the concept of open society. And here I am beginning to answer the question you posed. The weakness is that people living in an open society don't even recognize that they are living in an open society, let alone treat open society as a desirable goal for which it is worth striving and making sacrifices. In one way, freedom is like the air, people struggle for it only when they are deprived of it. When it is there, they take it for granted. But in another way, freedom is very different; if you don't care for it and don't protect it, it has a tendency to disappear.

If there is any lesson to be learned from the revolutionary events we have witnessed in Eastern Europe since 1989, it is that freedom is not merely the absence of repression and the collapse of a closed society doesn't automatically lead to an open society.

The trouble is that this lesson has not been learned. When the Soviet empire collapsed, we had no hesitation in declaring it a victory for the free world. But, equally, we had no inclination to make any sacrifices for the sake of establishing a free and open society in that part of the world. The consequences are now painfully obvious, but we have not even started to recognize them.

What has gone wrong? I believe our concept of freedom has changed. In the Second World War, it was promoted into an idea that we were ready to fight for and to sacrifice for. And the idea as it was then conceived involved freedom not only in our own country, but also in the countries which were the victims of a totalitarian regime. This conception carried over into the postwar period. It was responsible for the dismantling of colonial regimes and the forging of an anti-Communist alliance.

But gradually, the idea faded and another idea emerged by explicitly rejecting the pursuit of freedom as a valid objective of foreign policy. That idea was geopolitics, which maintained that states ought to pursue their own self-interest as determined by their geopolitical situation, and moral or ethical considerations have only a secondary role to play. They can be useful for propaganda purposes, mobilizing public opinion at home or abroad, but you can get into a lot of trouble if you actually believe your own propaganda.

The companion piece to geopolitics in international relations was the concept of *laissez-faire* in economics, which enjoyed a miraculous revival in the 1980's. As you know, it holds that the unham-

pered pursuit of self-interest leads to the best allocation of resources.

These have been the two main concepts which have guided us in our response to the collapse of the Soviet system and which continue to guide us today. I find that they are woefully inadequate for the situation at hand.

As long as we were locked in a deadly combat with the evil empire, we lived in a stable world order and we had a clear view of our own place in this world. The world order was stable because both sides had the capacity to destroy each other and therefore neither side could risk all-out war. And we could define ourselves in terms of our enemy; we were the leaders of the free world. But the stability of the world order has been destroyed by the internal disintegration of the Soviet empire, and what is worse, we have lost our sense of identity. We still want to be a superpower and leader of the free world, but we don't know what these terms mean.

We do not know what the free world stands for and we don't know whether we should stand for the free world because we have come to believe that our way of life is based on the pursuit of self-interest, as exemplified by the doctrines of geopolitics and laissez-faire.

In some ways, the present situation is unprecedented. In the past, peace and stability have been maintained either by an imperial power or by a balance of powers or by a combination of the two. Right now, we don't have either.

The United States doesn't have the capacity, nor the interest, to dominate the world the way Britain did in the 19th century. Britain derived enough benefit from free trade to justify maintaining a fleet in being. The United States, however, is no longer the main beneficiary of free trade and it can't afford to be the policeman of the world. We must depend on collective action but we have no clear idea what the collective interest is.

The result is a dangerous power vacuum. There was some hope that it would be filled by the United Nations, but the U.N. is no better than the States that constitute it. Indeed, it is worse, because the member States generally pursue their own national self-interest, to the detriment of the collective interest; and the United Nations is managed by a bureaucracy that is more interested in its own survival than in the survival of our civilization. There has been no instance in history where peace was maintained by an international institution, and there is no reason to believe that the current situation will be any different.

What is to be done? I don't have all the answers, but I have a suggestion which may help. I propose that we should declare the creation and preservation of open societies as one of the objectives of foreign policy and in the case of the former Soviet sphere, we should declare it as the main objective. I draw a distinction between the former Soviet sphere and the rest of the world because the Soviet system has irretrievably broken down; what system takes its place will have a profound influence on the course of history and therefore on our own future.

In the rest of the world, the promotion of open societies is one of many competing objectives, but in the former Soviet sphere it is

of paramount importance. In my opinion, even the nuclear issue ought to be subordinated to it.

When I speak of open society, I mean a form of organization that can be loosely described as democracy. But the concept of open society is more comprehensive. It means not only a democratically elected government but also a society that is not dominated by a state; that means a strong civil society and a rule of law. And it is not enough for the government to be elected by a majority; it must also respect minorities and minority opinions. In other words, I propose substituting the framework of open and closed societies for the old framework of communism versus the free world. The old framework was highly suspect, even when it was relevant, because anticommunism could be used to justify actions which were incompatible with the behavior of an open society. The new framework allows us to define ourselves in terms of what we stand for rather than in terms of our enemies. It provides a perspective which is woefully lacking at present. For one thing, it tells us that nationalist dictatorships are as much of a threat today as communism used to be.

How can this perspective be translated into policy recommendations? First, we need a strong European Union, capable of taking foreign policy decisions. That is missing today, as the quagmire in Bosnia has so sadly demonstrated. Second, the European Union needs to become more open, especially toward the East, and not turn into a fortress protecting itself against the turmoil outside its walls. The countries of Eastern Central Europe need the clear prospect of being able to join the European Union in order to complete the transition to open societies. They need private investment more than they need government aid and the prospect of membership is the best recipe for attracting private investment. I believe that the United States and Germany, if not all the other members of the European Union, would agree on this point.

Third, NATO—which is essentially an alliance between North America and Europe—ought to serve as a mainstay of the new world order. Whether a direct link is needed between NATO and our Asian allies, like Japan and Korea, is an open question. But one thing is certain: NATO cannot fill the power vacuum that has been created by the collapse of the Soviet empire; there needs to be an alliance between NATO on the one hand and Russia and the other successor states on the other. NATO can be extended to include the Central European states which are candidates for membership in the European Union, but if it also included Russia, it would be so diluted as to become meaningless. That is the origin of the partnership for peace, but, in its present form, the partnership doesn't even begin to fulfill the function for which it was designed. It is not much more than an empty gesture. It is a worthy successor of the vacuous and dilatory policies of the Bush administration, and it is perceived as such in Russia. Here is the point where a fresh perspective could come in useful.

I have argued that Russia and the other successor states are in need of outside assistance in order to make headway with their internal transformation. They don't perceive issues of external security as a threat; rather, they see them as opportunities to divert

attention from their economic failure and to mobilize political support.

In these circumstances, a partnership for peace, on its own, is bound to remain an empty gesture. It needs to be accompanied by a partnership for prosperity, a latter-day version of the Marshall Plan, to give it substance.

The idea is not as preposterous as we have conditioned ourselves to believe. It could be financed by the IMF, with an issue of special drawing rights and, if successful, it could be repaid in full. It would solve the most burning issue of the region; how to create a common economic space without total political domination by Russia.

In this context, the recent Presidential elections in Ukraine, which produced a President who is genuinely interested in economic reform, offers an opportunity which I hope we shall not miss. A genuine partnership for peace, coupled with a partnership for prosperity, would provide a firm foundation for a new world order. In its absence, we are going to have world disorder.

Let me end with a word on Macedonia. This is a clear case where an ounce of prevention can save us tons of troubles. We ought to make it a matter of priority to come to the aid of this tiny country with a democratic, multiethnic government which is on the verge of economic collapse for reasons which are beyond its control.

Thank you.

"AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE"

Mr. LANTOS. Thank you very much, Mr. Soros. It is a presentation that I think all of us will need to read and reread and study, and I will place it in the Congressional Record for all of my colleagues to be able to profit from.

Let me begin with your last point and put it on a broader canvas. The last point you made relating to Macedonia is that an ounce of prevention can save us a ton of troubles. One could argue that an ounce of prevention in Rwanda or Bosnia could have saved us a ton of troubles.

As a matter of fact, at a hearing in this room a few days ago with Brian Atwood, the head of the Agency for International Development, I made precisely that point. No country is more creative, generous and ingenious than the United States when it is confronted with a crisis.

When there is a cholera epidemic in Rwanda with 1 million people in a remote little town with no resources, we provide fresh water. We dig graves where no one can dig graves. We provide food. We inoculate children. We bring about a miracle.

How infinitely cheaper it would have been to use Western logistic capability to move a few thousand African soldiers, under U.N. auspices, into Rwanda to prevent 2.5 million people from fleeing, or better yet, to prevent a half a million people from being massacred earlier.

In the case of Bosnia, with which you are probably more familiar than is anyone in this country because you have done more for Bosnia than anyone, there is a similar situation. One would not need to be a rocket scientist to realize that it not ought to require

mass rapes, mass killings and cholera epidemics for the West to move.

Yet, it seems that we need cholera epidemics and mass rapes and mass murders to galvanize Western society. I am as impressed, I suspect, and as proud as any American, looking at General Shalikashvili, laying out what we are doing now to save the situation in Rwanda. The question is, where was the West 6 months ago, 12 months ago, 18 months ago?

The case of Macedonia is a perfect case. It is a very small country, minimal Western participation and assistance could prevent what you call a third Balkan war. And the third Balkan war is probably an accurate way of describing what might happen. I have to come back to my first question, what explains the almost instantaneous disappearance of political will, vision, wisdom, on the part of the West in recent years in dealing with these crises?

Mr. SOROS. I think that we—as I tried to say in my written testimony, we lack the proper framework in which to make decisions in foreign affairs. We had this cold war situation where we knew we were anti-Communists, we knew there was a threat to our security, and therefore we had to be engaged. And every conflict was contained by this larger conflict.

Now, the Soviet empire has disintegrated and we are at a loss. There are going to be, there are already, a great number of conflicts in the world, because this very stable world order has broken down. And we don't know where we ought to be engaged.

We feel that we ought not to be engaged at all. We tried it one way, we sent some troops to Somalia, and that created the wrong television images which led to the people being upset by American soldiers being there and being exposed to murder and humiliation and mutilation. And so we just simply lack a compass.

And I feel that this framework of open and closed societies could give us that compass that we need. And it could alert us to where the problems are likely to arise. We could nip them in the bud.

Let's say if we did take the right measures in Macedonia, there would be no gory pictures from there. The crisis has now lingered more than 2 years. We have not established diplomatic relations with Macedonia for more than 2 years, although we had committed ourselves to do so. So therefore Macedonia has a very good chance of providing us with gory pictures, which will then turn people off even more.

If we could deal with the problems earlier, there would be fewer real emergencies and people would be more willing to take a stand. So I think it is really the lack of a proper intellectual framework in which to understand—in which we would—by which we would be guided in our foreign policy.

THE PARADOXICAL VIEWS OF AMERICANS TOWARD DEATH AT HOME AND ABROAD

Mr. LANTOS. I appreciate very much what you are saying.

Let me explore the issue from a somewhat different vantage point. A few days ago, Secretary of State Christopher was sitting in the Chair you are sitting in, and I asked him how does a superpower, the one remaining superpower, which apparently accepts with some equanimity the death of hundreds of thousands of its

own people due to smoking, drinking, drugs, driving, overeating, and AIDS. If you add up the number of Americans who die of all the causes I listed, there are well over 1 million Americans who die unnecessarily each year.

Yet society has made its relative peace with it. I don't see any demonstrations in the streets saying that this country will not tolerate 1 million of its citizens being killed unnecessarily each year. Yet when a dozen members of the military, all volunteers, all volunteers, I underscore, lose their lives for whatever reasons in a military context, this brings about a 180-degree turn in U.S. foreign policy. We have to ship moving toward Haiti and there is a bunch of thugs in port, and then we don't land because someone may get hurt. I am as compassionate with respect to the death of a single human being as anybody in this room or in the country, but how do you explain what I can only describe as a disjointed view of human life?

For example, in the civilian sphere, thousands are killed unnecessarily every day, but in the realm of the conduct of foreign policy, we must proceed on the basis of no risks, no cost, no casualties, no sacrifices. Does this make sense?

Mr. SOROS. I think the question you pose is a very good question, and you could add to it that we also spend something like \$300 billion on the military, you know, on defense. So what is that money for?

With \$300 billion, one could do a lot of good in dealing with those social problems. So there is actually something that is out of joint at the present time. Obviously, it goes back to the Vietnam War and the division of the country. And that again just brings you back to the same point, that we really have to establish something supposed to guide us. And then mobilize public opinion behind those principles, and you wouldn't have this kind of revulsion from a single or few people whose profession it is to fight being killed. I mean, I don't think that you can actually remain a superpower unless your army is willing to take some risks with human lives.

Mr. LANTOS. I realize that as with all other analogies, this one is faulty. But a few weeks ago during a forest fire in Colorado, as you will recall—

Mr. SOROS. Seventeen people died, yes.

Mr. LANTOS [continuing]. A sizable number of heroic and wonderful men and women who jumped in to fight that forest fire were consumed by that fire. And every American was filled with anguish over their tragic death.

Nevertheless, that has not resulted in our saying we shall no longer fight forest fires. We continue to pursue the policy, one hopes with more precaution and better techniques, but no American in his right mind says that, in view of this tragedy, fighting forest fires will now cease.

Or to take Iraq as another example, you remember that friendly fire killed a similar number of our soldiers. We did not terminate our activities over northern Iraq. The program goes on because it was not a military action. It was friendly fire. Yet, in the exercise of power, there is this almost paralyzing fear that someone may get hurt and the political repercussions will be devastating.

Mr. SOROS. I think you are putting your finger on something very important, that I think that our military doctrine at the present time has been defined partly by the Vietnam experience, and a desire not to get caught in a gradualist approach—you get a little bit involved, and then you get sucked in and you are stuck for years—and partly by the desert war, which was short and was accomplished without—without casualties at all. That was a glorious war from a military point of view.

And it seems to me that there is a new military dogma that says, desert war, yes, and Vietnam, no; and that is what is guiding us. And I think it is misguided.

EFFECTIVENESS OF U.S. ASSISTANCE PROGRAMS TO EASTERN EUROPE, RUSSIA AND THE NIS

Mr. LANTOS. Let me move in a new direction. You have watched at firsthand the United States provide assistance to both Central and Eastern Europe and to the various countries of the former Soviet Union. And while I realize that you could cite both success stories and failures, I wonder if you would give us your general evaluation of U.S. aid to Central and Eastern Europe and the former Soviet Union in recent years.

Mr. SOROS. Well, we are fairly critical of U.S. aid in my foundation. We have a kind of joke where we say that technical assistance is the last bastion of the demand economy because it is guided by the needs and the requirements of the donors and not of the recipients. And I think that is a valid observation. I don't know how this could be changed.

At the same time, I have a lot of sympathy for the people who are working in the system, because individually there are a lot of people who are trying very hard to do a good job.

But since the constituency supporting aid is effectively a U.S. constituency, colloquially referred to the "Beltway bandits," it is very far hard to overcome this orientation, because that is the constituency that needs to be satisfied, rather than the countries to which the aid is given.

I think that the only—again, of course, the other considerable difficulty is that we have been dealing with a revolutionary situation where conditions change very rapidly; and aid is, by its nature, a bureaucratic process. It takes a long time to put in place and so on, and it can't be switched around too rapidly.

So I think that there ought to be a greater political direction of the aid. There ought to be—aid is, in fact, a policy instrument. And it ought to be adjusted as conditions change. And that requires political judgment. It cannot be left to purely bureaucratic processes.

So how you treat Ukraine depends very much on who is in power in Ukraine, what they themselves want to do; and an election can change things very much, and certain attitudes that have become ingrained have to be changed rather radically. So I would argue for greater policy influence over aid.

But all this said and done, when I look at what other countries are doing, I would say that the United States is not the worst. I mean, in fact, I would say that U.S. aid is considerably better than that provided by the European Union, which is much more bureaucratic because there are 12 bureaucracies that interfere in the proc-

ess, whereas here you have only got, I suppose, one, although there are a lot of different bureaucratic infightings going on.

A CRITIQUE OF SHOCK THERAPY

Mr. LANTOS. Let me move to an area of enormous controversy where I know you have very strong views, and let me offer a bit of a background.

Some people argued a few years ago, the best known amongst them perhaps, Professor Sachs of Harvard, that the only way to move the former Russian economy or the economy of the Ukraine or the Central European countries from where they had been to a new direction was by a dramatic move. It was labeled "shock therapy."

I remember last fall we had Deputy Secretary of State Strobe Talbott and his high-powered team sitting at that table, and they were giving us a truly optimistic and marvelous analysis of what this approach had done. And when it was my turn to question, I told them how impressed I was by the logic of their argument. The only problem I saw was that their description of what was going on in the Soviet Union did not even have a tangential relationship to Soviet reality, that what they were presenting to Congress and what the reality was on the ground were in two different universes.

While they were coming back at me with equally eloquent arguments an aide went up to Deputy Secretary Talbott and gave him a piece of paper; and he looked at me, and he looked sort of white as a sheet, and I had no idea what was happening. And then 5 minutes later, my aide came to me with a piece of paper and that, of course, was the moment we learned there was an attempt to overthrow the Yeltsin regime. And Strobe subsequently suggested that I had some inside information, and that is why I asked the question, which I didn't.

In a recent issue of Foreign Policy, there is a marvelous article by Georgi Arbatov, one of the great survivors of all time. He was head of the America and Canada Institute during the whole Soviet period. He was extremely knowledgeable about the United States, and spent a lot of time here, moving back and forth. Every American congressional delegation went to his Institute for discussions.

Georgi Arbatov offers a scathing criticism of shock therapy, and he says that to whatever extent shock therapy was implemented, it was a complete disaster because it totally overlooked both the economic hardships that people would have to bear and it overrated the resilience of Soviet society and politics.

The shock therapy people, as you remember, argued that there was an abyss and you cannot cross an abyss in two jumps; you either do it in one jump or you don't do it at all.

What is your appraisal of shock therapy? Was it ever implemented? Is the trouble that it was never tried? Were the Jeffrey Sachs of this world overly optimistic? What went wrong? Why do we have Zhirinovsky, if the two are related?

Mr. SOROS. Whether you need shock therapy or not depends on the degree of disintegration of the economic system. In Poland, you needed a shock therapy. In the Czech Republic and in Hungary, we could get by with a more gradualist approach because in the case

of Czechoslovakia, the country macroeconomically was not so unstable, not so destroyed.

In other words, in Poland you had something approaching hyperinflation, whereas in Czechoslovakia you had relative stability. There was no need for shock therapy.

Now, in the case of Russia, you definitely—and even more of Ukraine, you absolutely need something very radical because the economy is very largely disintegrated. And the Ukraine, in particular, there is nothing there to reform; you really have to build a new system, and you have to start by creating a stable currency.

But where Jeffrey Sachs, perhaps, was wrong was that he emphasized monetary stability to the exclusion of structural changes. Monetary reform is necessary, but not sufficient. And in Poland it was done, it was well done, but the structural reforms have been very slow in coming. Nevertheless, 3 years later, Poland is the fastest-growing economy in Europe; and also, in many ways, the healthiest.

So I am very much in favor of a very radical change of direction, when the direction is toward disintegration. And the greater the disintegration, the more radical the reform has to be.

Mr. LANTOS. I remember at one point you made a suggestion in a newspaper piece and in a speech subsequently, which people found extremely creative, but perhaps it was too creative for the political system. You argued that given the exchange rate between the ruble and the U.S. dollar, a contribution of something like \$5 or \$6 per month per person would enable the West to provide a safety net for Russia.

I have thought it was a brilliant suggestion, and I tried to peddle it around this place with minimal success. In retrospect, do you think it would have worked?

Mr. SOROS. Yes, and I think it could work today in Ukraine, because that would be the basis—you cannot have structural reform without a social safety net, particularly in a country like Ukraine where probably the very large and maybe the majority of the industry is effectively noneconomic. It operates at negative value added; therefore, it really cannot continue to operate. It has to—you really need to stop producing. But you can't allow very large numbers of people to be out of a job without any alternative, so you do have to provide a social safety net. And the same money that you provide for stabilization, for balance-of-payment support and for budgetary support, can be used—that very same money can be directed at providing a social safety net because it also serves—being foreign currency devoted to that purpose, it also serves the balance-of-payments purpose; and by relieving the budget of part of its deficit, it also serves as budgetary support, and it has a tremendous political impact by showing people that they are actually getting something from the assistance—it is not just going to the government, it is actually going to them.

So I am very much in favor of using the social safety net approach; and I think the idea is beginning to gain some support, and I am hopeful that it may be used. I think we are on the verge of doing something significant in Ukraine, and I hope this will be a significant part of that program.

THE POSSIBILITY OF EXTREMISTS GAINING POWER IN RUSSIA

Mr. LANTOS. There have been some who have argued that the social structure of Russia has disintegrated to the point where any sort of ordinary set of policies can no longer be implemented because crime is so rampant, and the breakdown of the governmental system is so penetrating and so profound that the likelihood of any democratic system, such as the Yeltsin government, surviving is very limited.

Mrs. Lantos and I were in Russia not long ago, and we met with a number of small new entrepreneurs, each of whom in his or her own way was an outstanding example of the entrepreneurial spirit. One was a very intelligent, able woman, who is a fashion designer who started on a small scale and now has a medium-sized operation; and another is a young man who is manufacturing athletic equipment on a small scale.

But then when we pressed them about the social realities—for instance, how do they see to it that their customers pay, they both said, well, we use the Mafia as the collection agency; without the Mafia collecting the due bills, we would not be able to stay in power; without the Mafia providing us with physical protection, we could not function in the current Russian milieu.

Do you feel that the coming of a strong man in Russia, not necessarily a Zhirinovsky but some other military or nonmilitary strong man, is very likely or do you think that the present somewhat reasonably democratic regime will be able to survive the next few years?

Mr. SOROS. Well, the Mafia is in many ways the result of the most successful privatization process ever perpetrated and—because public safety has been privatized, and very effectively. It is very unappealing, but actually it has some seeds of hope in it, because the trouble with Russia is that the old system broke down and there was no new system at all. So there was just a process of disintegration.

I talked about a black hole that the economy and the country was falling into; and instead of falling into that black hole, the people have taken the law into their own hands, and you now have a sort of a Mafia structure. And it is the beginning of a new system. As I say, it is very unattractive, but it could eventually lead to something evolving out of it that would be actually a market economy. Eventually, law will be introduced and the Mafia could be cleaned up.

And this is a result of not having laws and law enforcement. And this is where I think the lack of support that they got from us is partially responsible because they did not have it in them to establish the new legal framework and make it operational.

Now, there are, I think, two major hurdles to be overcome. One is that you are now in a sort of a feeding frenzy of what you might call "robber capitalism." Very large fortunes are being made in very short periods of time, basically taking possession of assets, companies and so on.

The risks are very high and the returns are very high. And, therefore—and there is very little capital available. And, therefore, there is no capital at all for productive purposes, and production

is still collapsing. So if the new owners actually start producing, as well as just trading in shares of the companies, then the economy could actually stabilize and begin to recover.

And, of course, total production is not the measure of it because a lot of production is uneconomic, so cutting down the uneconomic production is part of the process of transition.

But right now other economic production is also falling. I would say that probably the output of oil will be a very good indicator; as long as oil production is falling, you know that the economy is still going down the drain. If it stabilizes and begins to increase, then you know that the economy is turning. So that is the first hurdle.

And then comes the second hurdle that you already referred to. And right now everybody is grabbing assets of the state. When the economy becomes viable, somebody may grab the state itself. And that would be by means of a military coup and using a nationalist ideology; and, indeed, it is unlikely to be Zhirinovsky, but there is definitely a very strong move in that direction. And I think that will be the second major hurdle to overcome.

Mr. LANTOS. Thank you very much. I now would like to turn to the ranking Republican member of the subcommittee, my good friend from Nebraska, Congressman Bereuter.

THE SITUATION IN ALBANIA AND MACEDONIA

Mr. BEREUTER. Thank you, Mr. Chairman. Thank you for holding these hearings.

Mr. Soros, thank you for being here. I have had a chance to review your statement, and I was very pleased to see that you emphasized the Macedonian situation, the absurdity of the embargo there, and the real tragedy that it could cause. Your ending statement focused our attention very much on that issue. As you say, an ounce of prevention really could save us a world of trouble and an enlarged Balkan war.

I have been somewhat interested in Albania, a near neighbor; and it also has its current problems with Greece. As everyone knows, the level of economic development there was stifled for years. But I see a country and a people that are really energized to turn things around. I am wondering what your thoughts are about the potential for development aid and the direction of development aid that should come from this country and other bilateral and multilateral sources. Perhaps you could say a word or two about things that you might be doing there already that we should know about.

Mr. SOROS. I entirely share your sentiments on Albania, as well as Macedonia. And economic development could—is absolutely essential, and could be very effective.

There is a project for the east-west road linking Albania to Macedonia with Bulgaria. I think that is a matter of high priority and I think that the international lending agencies—I think they are studying it, but they really ought to move ahead.

And the same applies to railroad connections, which are necessary, and many other forms of economic development. An enterprise fund, I think there is one in formation for Albania and there ought to be one for Macedonia.

I think that there is a direct, inverse relationship between economic prosperity and ethnic conflict. I mean, a country that is moving ahead, ethnic conflicts can be contained. And that is what is really needed in that part of the world.

I have been very active both in Macedonia and in Albania. In Albania, we are working particularly on education. We want to both physically rebuild schools, which had been destroyed, and foster local participation in the formation of school boards so that community development and curriculum reform—because education, of course, is the long-term future of these countries.

Mr. BEREUTER. Thank you very much for your comments. And thank you for your visit. I am looking forward to looking at your material in greater depth.

Mr. LANTOS. Thank you very much. I have a number of additional questions, and I am wondering what your timeframe is, because I would like to invite our other two witnesses to join you at the table, because I would like to ask you to comment on their presentations if your time allows.

We have two very important institutions, as you know, the National Democratic Institute for International Affairs and the International Republican Institute; and the two great political parties are trying to build open societies through these entities. And this is one of the rare public appearances of these organizations.

I would very much like to ask Patricia Keefer and Bruce McColm to take their places at the table; and I know you will be able to stay as long as your time allows.

Mr. SOROS. Unfortunately, I have only about 10 or 15 minutes, but I would be happy to.

Mr. LANTOS. Why don't you stay as long as you can, and when you need to leave, we will formally thank you for your presentation.

To show my profound commitment to bipartisanship, I will call on Bruce McColm, President of the International Republican Institute. We are delighted to have you.

I would be grateful, for those who may not be familiar with an institute, if in a minute or so you will define the Institute and then outline what you have done in recent years in this most important endeavor.

STATEMENT OF R. BRUCE MCCOLM, PRESIDENT, INTERNATIONAL REPUBLICAN INSTITUTE

Mr. MCCOLM. Thank you, Mr. Chairman. And thank you, Congressman, for inviting us to testify on the role of IRI and the role we have played over the last decade to promote democratic principles and institutions. With the House and the Senate recently reaffirming their support for the National Endowment for Democracy, I thought it would be useful for us to review what we do as core institutes of that National Endowment for Democracy.

We have a staff of over 80 people, and we work in over 45 countries today, but we depend upon several hundred volunteer trainers with a wide variety of political expertise to make our promise work. These volunteers—many of them are actually from the new democratic countries themselves—take off from their positions of work, government, and spend vacation time to share their experiences

and train people in remote and often harsh places such as Siberia, rural Kenya, Cambodia or even inside Cuba. For those who complain sometimes that democracy organizations inside Washington are just from the Beltway, over 70 percent of our trainers come from outside of the Beltway from other States in this country.

We are engaged in a variety of activities, and over the past 18 months we have dramatically reevaluated our priorities and adopted a strategy of targeted programming to maximize our effectiveness. We are more interested now in building local indigenous resources and also training trainers so that our work will carry on in other countries. We prime the pump through our 11 field offices abroad.

We have tried to take into account present or historical American interests and our ability to effect positive change to achieve concrete results. Consequently, we have strengthened our efforts in the former Soviet Union where almost one-third of our resources are spent, and increased for the foreseeable future our program activities in Eastern and Central Europe.

Our third area of programming is Latin America, where we began work during the phase of democratization in the early 1980's.

Two-thirds of our programs involve training political parties abroad. And as somebody—just as a personal note, since the mid-1970's, I have been engaged in assisting those abroad who sought to create or revive the civil society which Mr. Soros is so valuable in supporting in Central Europe, and organizations independent of government control in repressive regimes, be it Solidarity or Civic Forum in Czechoslovakia or human rights groups in Cuba and China.

For many of those of us involved in the democracy field, the civil society or the NGO community has assumed, rightfully, a great and overwhelming importance; but for those of us involved in political development, we see what seems to be what Sam Huntington calls the end of the third great wave of democratization. There are many reasons for this: ethnic conflict, the rise in nationalism, an absence of a national consensus on economics, and cultures that simply do not support respect for the rule of law.

Political erosion, in our opinion, in Central Europe, the former Soviet Union, and in Latin America, is in large part because of failure in political development, not a failure in the development of the civil society.

If you recall, our democratic friends such as Vytautas Landsbergis, Vaclav Havel and even Mr. Antall in Hungary depended on their moral authority of the democratic cause to assume power. But the rapid collapse of communism in the late 1980's gave them no alternative or time to create strong political vehicles for the expression of their cause. And I might add, in many of the societies both Institutes work in there is a type of antipolitics that preceded the change in government that saw political parties as a negative phenomenon.

We are now seeing the consequences of this around the world in all of our work. The recent elections in Central Europe and the Soviet Union have seen the rise of nationalists—as we saw, Zhirinovskiy in December—and the return of neocommunists; and

I do want to pick up a point that Mr. Soros saw this as a good and positive expansion of the democratic expansion in Central Europe.

We have certain concerns that in Central Europe the primary beneficiaries of economic reform have been the nomenclatura who have become the new capitalists; and in the neocommunist parties, that their triumph, whether it is in Hungary, may in fact hinder the development of a pluralistic society. While their leadership is modern, pluralistic and certainly Western-oriented, the middle level party apparatchiks and the lower level rank and file are really attuned to the habits of the old days.

We at IRI believe in a vibrant civil society that preserves what deTocqueville said were the habits of the heart, but in our political department work, we see that time and again, that civil society must be able to interface with strong political institutions and must be able to inform political parties of policy options and public opinion if democracy is to survive.

Civil society alone cannot prevent the return of authoritarianism and totalitarianism. Why I say that is the expansion of the democracy funds by the United States. While we support that wholeheartedly, we have to register one concern that it is really aimed at supporting primarily the NGO community. Most of our work goes to consolidation of party or political structures and fragile democracies and we believe we are at the stage where we are trying to consolidate the gains that we have made over the last 13 years.

For those of us who have to react to the revolutions of 1989 in Central Europe and the former Soviet Union—and we had to react because there were inadequate plans—remember, both our Institutes are only 10 years old. We were only 5 years to that point of actually working. Primarily, our work was in Latin America and no one expected such a rapid change in Central Europe.

We understand now we have to be flexible and responsive to the needs of our democratic friends abroad, and that is why, as Institutes, we have to participate more than we have in the past where and when there will be openings around the world. We have to preposition ourselves to take advantage when openings do occur. That is why we have an active program in the Balkans where we can network with NGO's and political parties of the different countries of the former Yugoslavia for the day that maybe peace can be achieved. That is why we support a network of democratic activities and prodemocracy networks in Cuba and in Burma. And that is why we are currently engaged now with many think tanks in mainland China to discuss the issues of constitutional and electoral reform there, when the day comes that there is a secession of leadership.

Both party Institutes have developed their own programs strengths and methodologies, and as a result, in this time of resource scarcity, both our Institutes have coordinated programs in the former Soviet Union, South Africa, Cambodia and, most recently, both of us will be having an election monitoring program for Mexico.

For our part, we have encouraged coordination with the prodemocracy foundations in Austria, Great Britain and Germany so as to share the burden, especially because of their concerns, on Central Europe and the former Soviet Union. For instance, this

summer we begin a program in Poland in collaboration with the Westminster Foundation.

Finally, I want to say that there are risks for doing our work. The days of secret police surveillance and harassment of our staffs are not over. Physical threats to our staff in Kazakhstan and Cambodia have occurred. Attendees to our conferences in Uzbekistan are identified and noted down by authorities. Our colleagues in Cuba are routinely threatened with jail and forced exile, and we know for a fact our programs were scrutinized at Central Committee level in Vietnam and Laos.

What began as a challenge by Ronald Reagan to the Western democracies and has gained bipartisan support for over 10 years that NED and its core institutes, I think, have made a difference. The cause of freedom will always be central to the hearts of the American people. And we believe that we have contributed in our own modest way to the expansion of freedom abroad.

In conclusion, I would like to thank the committee and yourself for your leadership, and will be available for any questions at the right time.

[The prepared statement of Mr. McColm appears in the appendix.]

Mr. LANTOS. Thank you very much. Let me ask Mr. Soros, how is your time coming?

Mr. SOROS. I am afraid I will not be able to listen to Ms. Keefer. I would very much like to because I find it is very interesting.

I would just like to make one comment. I agree with your observations about the rank and file—and it is, of course, a matter of concern—and would be taking a very different view, for instance, of the political developments in Hungary had the Communists—or the Socialists, rather, who gained absolute majority, owned the government alone. And there is a considerable difference between the leadership and the rank and file, and they are under a lot of pressure from the rank and file. So your observation was right on the mark.

And there are other countries, of course, where the leadership is far less progressive, in countries like Bulgaria. So I just wanted to reinforce this part of the testimony. I am sorry I am not able to stay.

Mr. LANTOS. Well, before you leave, and before we turn to Ms. Keefer, let me just make two observations.

First, I failed to thank Beth Poisson, who did such an outstanding job in preparing this hearing, assisted by other members of the staff, both Republicans and Democrats.

And on behalf of all of us in Congress, Mr. Soros, I want to thank you both for your presentation and for your truly epic contributions for building open societies in so many countries, both in Europe and elsewhere; and we hope to have you back at another occasion. We thank you very much for your presence.

Mr. SOROS. Thank you.

Mr. LANTOS. Before turning to my colleague for opening the questioning, I would like to ask you, Ms. Keefer, to outline the work of your institution.

STATEMENT OF PATRICIA KEEFER, SENIOR ASSOCIATE, POLITICAL AND CIVIC ORGANIZATIONS, NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

Ms. KEEFER. Thank you, Mr. Lantos. Thank you also for inviting NDI to be a part of this important hearing process on the U.S. efforts to promote and support democracy abroad.

I would like also to introduce two of my colleagues who are with me, Ambassador Nelson Ledsky, who is NDI Senior Associate for the former Soviet Union, and Susan Atwood, the Director of our regional program in Eastern Europe. Knowing of the Chairman's interest in the region, I asked them to come along so they could perhaps—

Mr. LANTOS. We are very pleased to have them.

Ms. KEEFER [continuing]. For any questions that may be relevant to their peculiar region.

NDI believes that the United States should attach the highest priority to democratic development as an instrument of foreign policy and human rights policy. Democracy requires not mere legitimacy of democratic forms, but working structures; legislatures that represent the electorate and oversee the executive; elections in which the voters actually choose their leaders; judiciaries steeped in law that are independent of outside influences; a system of checks and balances within society; and institutions and leaders that are accountable to the public.

The democratic revolutions of the past 10 years demonstrate that the appeal of those values is nearly universal. The United States continues to play a unique leadership role in the promotion of these values. At the same time, we also realize that nothing better serves the interests of the United States—economic, political, ideological—than the promotion of democratic practices and institutions.

The fall of communism demonstrated the democratic political systems and free market economies are two parts of the same process sustaining each other. Where guarantees of individual rights within a society do not exist, the inevitable result is exploitation, stratification, disorder, and the inability to compete. This is essentially true in a world where ever more nations are embracing democratic principles.

In the past, the United States has hoped that development aid could achieve the kind of economic growth and opportunity that lead to social stability and peaceful competition. Even when successful, this emphasis on economic growth often lost momentum because it was not accompanied by political growth. It has become increasingly apparent that an ever-growing number of problems in the developing world are beyond the reach of traditional economic aid because, while they have economic consequences, the problems are not fundamentally economic but political in nature.

In the development sphere, what ultimately differentiates nations is not the nature of their problems but, rather, the ways in which they resolve them. Truly sustainable development requires the capacity to resolve problems without resorting to violence or repression in a way that ultimately adds to the stability of society and enhances the ability of a nation to address future problems.

Even from the traditional foreign assistance perspective, the establishment of democratic institutions is the best way to assure

sustainable development. Rural dislocation, environmental degradation, agricultural policies that lead to famine, all trace to political systems in which the victims have no political voice, in which governments feel no obligation to answer to the people, and in which special interests feel free to exploit the resources without fear of oversight or the need to account. In the former Soviet Union, for instance, if efforts at economic restructuring fail, political reform is likely to collapse. And without restructured political institutions, economic reform is unlikely to succeed.

To pass through the current crisis, reformers in the former Soviet Union will have to buildup their fledgling democratic institutions and develop a broader political coalition.

This is not simply a defense mechanism for the avoidance of chaos in former Soviet states. The development of a multitude of pluralistic institutions is an essential part of the evolution of a democracy. These institutions diffuse power and legitimacy from the center without diminishing it, an important concept in a state like Russia.

The most significant pressure for democratic change comes from within. International reaction only becomes meaningful after domestic forces have created a critical degree of expectation inside the country and awareness beyond its borders. Each time the democratic institution takes root, each time a new democratic government addresses old problems with peaceful methods, the rationale for democratic solutions is strengthened and democratic forces, encouraged and sustained. Successful steps toward democracy in one country also are conducive to democratic transition in others, particularly in neighboring countries.

A key to promoting democracy efficiently in a world of limited resources is international cooperation. The United States is a model for democracy, but it is not, nor should it be, the model. The United States is an exporter of democracy, but the cause of democracy, in our opinion, is best served when we are but one exporter among many. We have been successful at NDI when we have joined with others to share practical democratic skills. We have found, not surprisingly, that Latin Americans listen to other Latin Americans, that Africans appreciate the African experience in democracy, and that Eastern Europeans respond to their neighbors in their region.

The cultural affinity is but one element of a successful democracy-building program. As a practical matter, peoples attempting to make the transition to democracy require diverse skills and experiences. The insights of democrats from other nations are often more relevant than our own. Americans have no real experience with a transition from autocracy to democracy, but Latin Americans and Europeans now do.

Americans understand parliamentary systems, but our congressional experience is often not directly applicable. Yet there are scores of experts in other nations, many of them members of parliaments, who have grown up in parliamentary systems and who are eager to share their understanding of how parliamentary democracy works with others in the developing political world.

Cooperative approaches, such as Bruce has referred to and as NDI also initiates, are merely a matter of common sense. They convey a deeper truth to nations attempting a transition to democracy,

that they are not conceding something to the United States when they develop democratic institutions, rather, they are joining a community of democratic nations.

NDI from its inception has structured its programs in a multinational fashion. Our experience has been that would-be recipients in other nations come to us with specific requests—for election assistance, for help with building civic organizations, for political party building, for training in municipal or parliamentary reform. Each program is tailored to meet the political needs and the cultural sensibilities of the nation where it will take place.

Our partners are chosen from other countries around the world. A typical program will involve experts from a half a dozen countries. The international nature of these programs sends a powerful message about the larger concerns of the community of democratic nations. This approach also reinforces the message that there is no ideal democratic system, although certain core principles are shared by all democracies.

While governments can set the tone and foreign aid can provide needed resources for democratic development, much of the real work must be done by nongovernmental organizations. Groups such as NDI are capable of assuming responsibility, yet are not constrained by the stringent rules of diplomacy. NDI activities are relatively free from the need imposed on representatives of the U.S. Government to take into account the full range of official interests and bureaucratic purviews. NGO's can readily share information, knowledge, and experiences that will be available to individuals and groups who are pursuing or consolidating democracy, sometimes without the cooperation or sanction of their governments.

Several considerations suggest that the direct role of U.S. Governmental agencies in democratic development programs should be minimized in many situations. In countries where one of the issues being addressed is the autonomy of civic and political institutions, the fundamental idea that government ought not to control all aspects of society is undermined by a too-visible U.S. Government hand in the development and implementation of these programs.

As host governments will at times be unenthusiastic about efforts to diversify political power, formal or informal, among parties and sectors of the society, pressures will be placed on the U.S. Government to curtail support for diverse groups of competing interests. To the extent that particular embassies and missions abroad can state with authority that the U.S. Government does not seek to control American NGO's, bilateral governmental cooperation can, to some extent, be separated from democratic development programs.

The work should also be in the open, and should be conducted with partners committed to pluralism and nonviolence. These activities require government resources, but cannot be undertaken under the direction of the government except in the broadest sense.

Organizations such as the National Endowment for Democracy are free from the affiliation of a particular administration, and thus, can promote democratization without suspicions arising that narrower interests are the real motive. Unlike governments, NGO's can receive more cooperation from non-American participants in international efforts to promote democracy. Many of the inter-

national experts who participate in NDI's programs would be less willing to do so if their participation was being directly sponsored by the U.S. Government.

While private American organizations working in this developmental field should not be agents of the government, consultation is necessary with both Congress and the executive branch. NDI consults closely with State Department and U.S. Embassies and missions abroad. Indeed, many requests for NDI's programs are generated by U.S. overseas missions. The State Department reviews all NED-funded proposals. If public funds are used, public disclosure, openness, transparency, accountability must prevail.

There are those who have argued for a more centralized democracy promotion effort by the United States. However, just as the strength of American democracy depends on the continuing contributions of thousands of different perspectives competing in the marketplace of ideas, so should democratic development programs rely on a healthy variety of approaches and styles of operation.

A principal theme, we believe, that should characterize all U.S.-supported programs is that there is not just one method or one program that builds democracy. An artificially homogeneous or consolidated approach runs the risk of stifling creativity and missing opportunities that may be apparent to some actors but not immediately to all. Pluralism in the promotion of pluralism more truly reflects the best in American culture and demonstrates clearly the tolerance of diversity at every level as a vital aspect of a democratic society. When compared to other governmental programs whose purpose is to defend U.S. interests after international crises have occurred, support for this kind of democratic process abroad is a small and a wise investment. Democracy support serves American interests by helping prevent conflict and violence, promoting a more peaceful and stable world environment.

That is not my whole statement, Mr. Chairman. I would ask that the entire statement be entered for the record.

[The prepared statement of Ms. Keefer appears in the appendix.]

Mr. LANTOS. We will certainly be happy to do so and we want to thank you very much.

The questioning will begin with Congressman Bereuter.

THE COMPLEMENTARITY OF DEMOCRACY AND HUMAN RIGHTS

Mr. BEREUTER. Thank you very much, Mr. Chairman. I am very pleased to have these witnesses with us today. I have been looking forward to their testimony for quite a while, and I appreciate your scheduling this hearing. I think we have our work cut out for us in explaining to our colleagues what your two Institutes and the other two core institutes really do accomplish within the National Endowment for Democracy, and this is a start, if we properly use it today. It is obvious there is a lot of misunderstanding about that when we have the National Endowment for Democracy authorization or, especially, appropriations, on the floor.

I have questions perhaps about two areas. I would think that perhaps both you, Mr. McColm and Ms. Keefer, you may have seen an article in the summer issue, 1994, of the *Washington Quarterly* by Thomas Carothers, who is senior associate at the Carnegie Endowment for International Peace. The article is titled, "Democracy

and Human Rights: Policy Allies or Rivals". I will just give you one quote from it for purposes of discussion and edification here.

It says, "Some members of the U.S. human rights community do not see any natural or inevitable complementarity between U.S. efforts to promote democracy and to promote human rights. These persons tend to be deeply skeptical of U.S. democracy promotion policies and programs. As Aryeh Neier wrote in his previous capacity as Executive Director for Human Rights Watch, 'By and large the human rights movement would prefer not to be associated with a global crusade to promote democracy,'"

Now, it does seem like there is a tension that is more noticeable between the human rights community and the democratization community. The democratization community argues that human rights and the electoral process are inextricably linked. The human rights community would prefer to delink the two.

Would you share your views on this debate, if you think it is worthy of being debated?

Ms. KEEFER. Well, I am aware of the debate. I think it is interesting that it happens from my perspective, inside the Washington beltway when we are in South Africa, when we are in Cambodia or in Slovakia, we work quite closely with U.S. NGO's that are human rights organizations. They are particularly interested in joining us in the advocacy of standards for democratic elections. The individual rights to a secret vote is an international elections human rights standard, the right to vote. And so we have had, from our point of view, the fortunate opportunity to work with many of these organizations.

We know of the concern. It was raised when—in the State Department reorganization—when human rights and democracy were combined. I think there is somewhat of a concern that it will marginalize human rights advocacy.

I think that—from our point of view, we think human rights are a part of our mission, that human rights is part of democracy-building, and so we incorporated it in our mission statement. We would not want to dictate to the human rights organizations. We think there is enough space in which we can all work. They may prefer to work in countries, and often do, where we don't find the political space to work; and so the types of things that they may be advocating and working for in Burma, for example, if successful, open up the country in which we can do more of the democratic institution-building. So we think of it as a complementary arrangement and can work quite complementarily in many countries in the world.

Mr. LANTOS. May I interject a point, if my colleague will be kind enough to yield?

I am very intrigued by my good friend's question. And I would like to pose for both of you, perhaps not a hypothetical, but an example; and I would like to ask you to respond in concrete terms.

Take Gaza and Jericho, and take the desirability of promoting human rights in Gaza and Jericho and the desirability of promoting democracy in Gaza and Jericho. And let me hypothesize that promoting democracy in Gaza and Jericho, under present circumstances, might lead to the election of a Hamas body which is profoundly opposed to the whole peace process.

Now, under these circumstances, accepting my hypothetical, what policy would you pursue or what policy guidance would you seek?

Mr. McColm.

Mr. MCCOLM. Well, we have had this debate at our board level, and we have made a certain decision that is different from the decision of the National Democratic Institute. We are both involved, I should say, in Jericho and Gaza. We are supporting a modest policy institute that is not affiliated with either the PLO or Hamas to really evaluate and do public opinion surveys of basic attitudes to political issues.

We made a decision, however, not to go further in training either of the political parties that will be contesting the elections, even though enormous resources were available precisely for this issue, that we did not feel that there were sufficient—small “d”—democratic political forces which we could work with.

That is not to say that there is not a benefit for the development of democratic or competitive systems, political systems in Jericho and Gaza. But we would not, for instance, suggest that that leads to a democracy because you have two nondemocratic authoritarian parties competing. So we made the decision not to go in until such time that we see a space to support—small-D—democrats.

I did want to comment since I have run a human rights organization, and now I run a democracy organization, on Congressman Bereuter's question. There has been this tension that continues to exist between the human rights community and the democratic community. In large part, it is really one of we have different spheres of work.

It was the feeling, when I ran Freedom House, that democratic systems preserved human rights the best. That is not to say that democratic systems do not commit human rights abuses. Clearly they do, or the ones that we say—“rough democracies” in Latin America, for instance, do.

We do make certain distinctions in our work. For instance, we work in mainland China. We think we are opening a space in China while the human rights community would not engage in that type of work. I think there is a difference between advocacy and the monitoring of human rights abuses and the type of work that we do.

We are trying in a closed society to leverage certain openings that we think may or may not exist. The human rights community really is an advocacy community to document human rights abuses and to pressure the U.S. Government to do some action. As Pat pointed out, when we are abroad with the local human rights groups, we do not see the incompatibility between democracy work and human rights work. It is only here when we are maybe testifying before your subcommittee.

GUARDING AGAINST ASSOCIATION WITH ANTIDEMOCRATIC FORCES

Mr. BEREUTER. I appreciate that clarification, that this is not necessarily a universal perception within the human rights community. I think there is no doubt among our colleagues in Congress that the two are linked; and I think that reflects the view of the

American people, so I am surprised at this inside-the-Beltway debate.

Two related questions that spring from it: How do your organizations specifically guard against associating yourself with antidemocratic forces? And, second, how should our country respond when antidemocratic forces use the democratic process to come to power, because occasionally thugs and dictators are elected in free and fair elections. And then we have what was once called the Brezhnev doctrine, I believe.

Ms. KEEFER. In responding to your question, I think I would also incorporate my response to the Chairman's remarks. We don't view an election, whatever the results are, as the final determination about whether or not there is a democracy in a country. Most of the places in which we work, the opportunity to go to the country is often provided by the prospect that an election in the foreseeable future. Usually it is somewhere between 6 months and a year. Often we are in that country working for 2, 3 years, before that election actually takes place.

Elections provide an opportunity. If nondemocratic forces get elected, we look for opportunities to put in place other kinds of democratic institutions or principles or operating styles that will call that government to account. Bulgaria, Romania, after the elections in 1990, we didn't leave. We stayed there. We worked with Pro-Democracy, we worked with the Bulgarian Association for Free Elections, which later became a public interest organization holding citizens accountability meetings all over the country—bringing people out of the parliament and into the communities.

We work with not only civic organizations, but with democratic political parties to help them develop their skills so that in the next election, maybe they will do better. But again, it is not simply the election, it is what political parties do between elections.

In terms of your first question, Mr. Congressman, how do we guard against associating ourselves with nondemocratic forces? We spend a lot of time in the developmental aspects of our programs. We don't go too far too quickly. We have patience. We spend a lot of time in developing professional relationships with people in these countries.

We hire professional staff. We train those staff. We give them experience in a country where we have a program before we send them into a new country.

I guess I would say in response to Chairman Lantos' earlier questions, is that if we are going to—if the U.S. Government is going to provide leadership, it might have to be able to take more risk and maybe some mistakes are going to be made. We now operate under a very cautious approach. People who sit in AID missions or downtown in the bureaucracy are very cautious, always aware that they may be here answering to this committee for some mistake that they have made.

Mr. LANTOS. The question they have to answer is why they aren't doing anything. That is the question that we increasingly have to answer.

Go ahead.

Mr. MCCOLM. I just want to sort of get on record here that the response—the National Endowment for Democracy funds allows

both institutes to respond quickly to situations. The timeframe between AID funding of our initiatives and the NED funding is quite dramatic.

I mean, as Pat mentions, we have been waiting sometimes a couple years before getting involved in a country. That has changed somewhat because of the change in management at AID, but the bureaucracy is fairly still dominating.

On the political parties, to avoid some of the antidemocratic forces, I mean, we certainly avoid training anyone who is involved in armed struggle or in terrorism, or that proposes an ideology that is either authoritarian or totalitarian. Or, and this is particularly true in the developing world, that is exclusive to a race or ethnic group because of the divisive nature of race politics around the world, but also in the developing countries.

Where we don't think we have an appropriate choice, that is a choice of assisting small "d" democratic parties in a country, we will opt to work with nongovernmental organizations or civic education groups. In other words, make the decision not to develop political parties.

In a situation such as Mozambique, I think we have—the contestants in that situation would not be described, I don't think by any stretch of the imagination, as small "d" democrats, but in that case, both institutes are working in effect to look at the democracy as conflict resolution. None of us are under any illusions that this is going to lead to a democratic system in the short term. There are situations that concern us.

Bulgaria is certainly a situation that concerns us. We would expect as a policy of the United States that it would not be desirable for the BSP to come to power. As an organization that is an NGO organization, we will work with those who are bona fide democrats, with the expectation that in the long term they will grow and develop. But not necessarily in the short term that they will win electoral victory, although I wish they would.

In Slovakia, for instance, we would take another tack. That is, we think there we would like to encourage the get out the vote for the fall elections. We clearly see that there is an entity in that country that we think the election of whom would be injurious to national interests and the interests of democracy. That is a policy decision that has to be made at the administration level. It is not a—something that either institute can decide.

We do our work. We have I think significant influence and effect. However, ultimately without a strong American foreign policy, our work will always be marginal.

Mr. BEREUTER. Thank you very much for those fine answers.

Mr. Chairman, I have a foreign visitor in my office. I need to yield to you and I will return as soon as possible.

Thank you.

PERCENTAGE OF IRI AND NDI'S FUNDING THAT COMES FROM THE U.S. GOVERNMENT

Mr. LANTOS. Well, let me bring this to a close fairly soon, because we have kept you here a long time.

I am very pleased that we won the funding fight for the continuance of these efforts, because I think they are so quintessential in

the American national interests that I am always appalled and amazed and noncomprehending when my colleagues, some of my colleagues, undertake a crusade against institutions that promote democratic institutions around the globe.

What percentage of your funding is governmental?

Mr. MCCOLM. Well, now very significant, it has like 90, at this point, about 99 percent. I would hope that we get that down.

Mr. LANTOS. I personally would strongly encourage both institutions to work on private funding. Because while you don't need to build credibility with some of us, I believe there are lots of colleagues who would react more favorably to the work that is done if some of the funding would be coming from private individuals or private organizations. And I am glad to note that you agree with me and I—if I can be of any assistance, I will be happy to do so.

Let me thank both of you for coming and for your excellent testimony, and I want to congratulate you for a job very well done.

This hearing is adjourned.

[Whereupon, at 4:05 p.m., the subcommittee was adjourned.]

APPENDIX

ZBIGNIEW BRZEZINSKI

COUNSELOR, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES; and PROFESSOR OF AMERICAN FOREIGN POLICY AT THE PAUL NITZE SCHOOL OF ADVANCED INTERNATIONAL STUDIES, THE JOHNS HOPKINS UNIVERSITY, WASHINGTON, D.C.

From 1977 to 1981, National Security Advisor to the President of the United States. In 1981 awarded the Presidential Medal of Freedom for his role in the normalization of U.S.-Chinese relations and for his contributions to the human rights and national security policies of the United States.

OTHER CURRENT ACTIVITIES

Public and Pro Bono: Member of the Board of Directors of the National Endowment for Democracy (a Congressionally-funded institution for the international advancement of democracy); Honorary Chairman of the AmenCares Foundation (a private philanthropic humanitarian aid organization); Member of the Board of Trustees of Freedom House (a non-profit institution dedicated to the promotion of freedom); Trustee of the Trilateral Commission (a cooperative American-European-Japanese forum); Cochairman (with Senator Bob Dole) of the American Committee for Aid to Poland; Member of the Board of Directors of the Polish-American Enterprise Fund; organizer and Chairman of the American-Ukrainian Advisory Committee; etc.

Private Sector: International advisor and/or board member of several major US/global corporations; frequent participant in annual business/trade conventions; President of Z.B. Inc. (an advisory firm on international issues to corporations and financial institutions). Also a frequent public speaker, commentator on major domestic and foreign TV programs, and contributor to domestic and foreign newspapers and journals.

PAST ACTIVITIES

U.S. Government: 1966-68, Member of the Policy Planning Council of the Department of State; 1985, Member of the President's Chemical Warfare Commission; 1987-88 Member of the NSC- Defense Department Commission on Integrated Long-Term Strategy; 1987-89, Member of the President's Foreign Intelligence Advisory Board (a Presidential commission to oversee U.S. intelligence activities).

Public and Political: 1973-76, Director of the Trilateral Commission; in the 1968 presidential campaign, chairman of the Humphrey Foreign Policy Task Force; in the 1976 presidential campaign, principal foreign policy advisor to Jimmy Carter; in the 1988 presidential campaign, co-chairman of the Bush National Security Advisory Task Force. Past Member of the Boards of Directors of Amnesty International, ... of the Council on Foreign Relations, ... of the Atlantic Council; etc.

Academic: On the faculty of Columbia University from 1960 to 1989; from 1953 to 1960, on the faculty of Harvard University. Ph.D., Harvard University, 1953; B.A. and M.A., McGill University, 1949 & 1950. His most recent book is OUT OF CONTROL: Global Turmoil on the Eve of the 21st Century. Also author of the bestseller THE GRAND FAILURE: The Birth and Death of Communism in the 20th Century; as well as of GAME PLAN: How to Conduct the U.S.-Soviet Contest; POWER AND PRINCIPLE: The Memoirs of the National Security Advisor; THE FRAGILE BLOSSOM: Crisis and Change in Japan; BETWEEN TWO AGES: America's Role in the Technetronic Era; THE SOVIET BLOC: Unity and Conflict; and of other books and many articles in numerous U.S. and foreign academic journals.

Honors: Honorary degrees from Georgetown University, Williams College, Fordham University, College of the Holy Cross, Alliance College, the Catholic University of Lublin, Warsaw University. Awarded the Hubert Humphrey Award for public service from the American Political Science Association; as well as fellowships from the Guggenheim Foundation, the Ford Foundation, etc. In 1969 elected a Fellow of the American Academy of Arts and Sciences. In 1963, selected by the U.S. Chamber of Commerce as one of America's Ten Outstanding Young Men of the Year.

PERSONAL: Born in Warsaw, Poland, 1928; son of a diplomat posted to Canada in 1938; married to Emilie Anna (Muska) Benes, a graduate of Wellesley College, sculptor; three children: Ian, Mark, and Mika.

DOUG BEREUTER

1ST DISTRICT NEBRASKA

COMMITTEE ON BANKING, FINANCE

AND URBAN AFFAIRS

SUBCOMMITTEES

HOUSING AND COMMUNITY DEVELOPMENT

CONSUMER CREDIT AND INSURANCE

INTERNATIONAL DEVELOPMENT

FINANCE, TRADE AND MONETARY POLICY

COMMITTEE ON FOREIGN AFFAIRS

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INTERNATIONAL ECONOMIC POLICY AND TRADE

INTERNATIONAL SECURITY, INTERNATIONAL

ORGANIZATIONS AND HUMAN RIGHTS

SELECT COMMITTEE ON INTELLIGENCE

Congress of the United States

House of Representatives

Washington, DC 20515-2701

Opening Statement of Doug Bereuter, M.C.

June 27, 1994

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RURAL CAUCUS

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RURAL HEALTH CARE COALITION

Director Woolsey, welcome, and thank you for appearing before the Subcommittee this afternoon.

Several months ago, Russian President Boris Yeltsin declared that organized crime is the largest problem menacing the political, economic and internal security of the Russia republic. A book published this weekend by the noted author Claire Sterling certainly bears this out. According to Ms. Sterling, the Russian mafia controls over 400 major Russian banks, 7,000 private co-ops, and has effective control over 40% of the Russian GNP. 80% of all Russian enterprises are forced to pay protection money to the mafia. Even considering the enormous economic hardship faced in Russia, we're talking about a lot of money, and there are suggestions that the Russian mafia wields greater influence than the government.

Moreover, the presence of Russian organized crime is particularly troublesome when we get to the issue of "loose nukes" and the threat of nuclear terrorism. Never before in recorded history has an empire collapsed while in possession of such a huge arsenal of power. It is estimated that there are anywhere from 30-40,000 nuclear weapons in Russia and the other republics. What are the conditions at Russia's nuclear weapons sites? We know that they are guarded by a Russian military beset with inadequate pay, poor living conditions, and plummeting morale. In addition to the hardships of the military responsible for guarding these sites, we are also seeing a disintegration of the internal security apparatus which for years held sway in the Soviet Union and augmented the security of the nuclear storage sites.

Director Woolsey, as we discuss the threat of terrorist acquisition of Russian nuclear weapons, and assess the Russian nuclear weapons security structure and the vulnerability of these sites to theft, we might also want to turn our attention to Russia's many nuclear laboratories and institutes. These organizations frequently possess significant quantities of highly enriched uranium or special nuclear materials. Then, too, there are many storage sites holding weapons-grade material. Neither the labs nor the storage sites enjoy the security of a military guard, but like the weapons sites are rendered more vulnerable by the decline of internal security. I would be interested in your insights into the security problems of Russian weapons, research

and storage sites as we review conditions that might influence future trafficking of nuclear materials.

I might add that Congress has appropriated a total of \$1.2 billion -- the so-called Nunn-Lugar funds -- to assist the Russians and the other nuclear-capable former Soviet republics to store and dispose of nuclear materials in a safe and secure manner. However, precious little of this money has actually reached its destination. Given the gravity of the problem, the disbursement rate has been totally unacceptable. I recognize, Director Woolsey, that Nunn-Lugar is not in your portfolio, but I would like to make it clear that this is not a "business as usual" situation, and those with responsibility in the Defense Department and State Department must get more serious about addressing the very real risk of proliferation of nuclear materials out of the former Soviet Union.

As you know, Director Woolsey, in recent years allegations of illegal trafficking in nuclear materials have been on a steady increase. Nevertheless, to date there has not been any confirmed evidence of an illegal diversion or sale of nuclear weapons. We have heard for some time about reports of Libians with suitcases full of cash running around the former Soviet Union. And last year, for example, there were reports of Iran acquiring nuclear weapons from Kazakhstan, but there has been no confirmation of that transaction.

The Office of Threat Assessment of the Energy Department, which has responsibility for tracking "black market" transactions in special nuclear materials, assesses that there is little short-term incentive for the Russian organized criminals to engage in nuclear smuggling as there are profits to be made elsewhere and the risk of incurring high level domestic and international opprobrium is too great. Still, there were at least two events in 1992 which did involve the sale of genuine special nuclear materials. And, we have reports of a Col. Kuzin -- a former KGB official -- openly operating in Vienna, Austria, and promising to supply nuclear materials to anyone willing to pay the price. All of this suggests inhibitions and constraints are breaking down. I would be interested in your views on what future trends might be in this area.

Let me return once more to the subject of Russian organized crime, in a broader sense, which I raised earlier in my remarks. You have spoken several times recently about the growing problem of international organized crime. There has been an explosion of Russian organized criminal activities, with a growing involvement in drug trafficking and grey arms sales. The MVD (Russian internal security services) reported a 40% increase in Russian narcotics trafficking last year alone. In short, there are networks being established by unsavory groups and individuals. I remain particularly concerned about the potential connection of Russian organized crime with nuclear weapons trafficking, and how these connections might augment terrorist acquisition of dangerous nuclear materials.

Again, thank you for appearing before the Subcommittee this afternoon. I look forward to your comments.

Testimony
of
Leonard S. Spector

Senior Associate
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&
Carnegie Center for Russian and Eurasian Programs
(Moscow)

Before the
Subcommittee
on
International Security, International Organizations
and Human Rights

Committee
on
Foreign Affairs
U.S. House of Representatives

June 27, 1994

TESTIMONY OF LEONARD S. SPECTOR

Thank you, Mr. Chairman, for the opportunity to testify before the Subcommittee this afternoon.

The North Korean nuclear crisis has been dominating the headlines over the past week. There is no question in my mind, however, that the most serious nuclear proliferation challenge we face today is the threat that nuclear weapons or weapons-grade nuclear materials may leak from the former Soviet Union to would-be nuclear powers hostile to the United State or to criminal or terrorist entities.

If a black market in such weapons or materials were to emerge, it could totally overwhelm the current nuclear non-proliferation regime, structured around the Nuclear Non-Proliferation Treaty and the wide-scale application of International Atomic Energy Agency inspections. Put simply, it would become impossible to know what nuclear materials were available to particular countries, and constraining the spread of nuclear-weapon capabilities would become vastly more difficult, if not infeasible altogether. Instead of one North Korea with an uncertain nuclear status, we could be faced with numerous proto-nuclear powers able to field nuclear arms at the first sign of crisis.

The Carnegie Endowment has recently opened its Center for Russian and Eurasian Studies in Moscow. One aspect of our operations there, which I will supervise, will be examining proliferation dangers arising from the break-up of the Soviet Union. In conjunction with activities at our Moscow Center, I have visited Russia three times in the past eighteen months and have held discussions with officials and private specialists on a wide range of nuclear issues.

Recently, in a joint project with Dr. William Potter of the Monterey Institute of International Studies, we have published a report summarizing the status of nuclear weapons and materials in Russia and in the three other former Soviet republics with Soviet nuclear weapons on their territory, Belarus, Kazakhstan, and Ukraine. A copy of that report has been made available to the Subcommittee.

Although I cannot claim to have the expertise on Soviet nuclear affairs of Dr. Cochran, Dr. William Potter, or of a number of other U.S. specialists who have worked on this issue for many years, I have studied the problem of nuclear proliferation for nearly two decades and as part of this work have gained familiarity with a number of problems we have experienced in this country in maintaining security with respect to our own nuclear assets.

At the present time, like the Subcommittee, I am attempting to get a solid understanding of the level of security over nuclear assets in the former Soviet Union, and especially, in Russia, where the vast bulk of Soviet nuclear weapons and materials are located.

What I would like to do today is describe for the Subcommittee some of the basic "rules of thumb" that I am using as I grapple with these issues, in the hope that these guidelines

might prove useful tools for you, as well. In addition, I would like to highlight one or two points that came to my attention during my most recent meetings in Moscow, last month.

I.

The first "rule of thumb" is that there are a great variety of nuclear assets in the former Soviet Union that are potentially susceptible to theft or diversion for use in nuclear arms. These include:

- **deployed nuclear weapons**, such as warheads on nuclear-tipped missiles (found in Belarus, Kazakhstan, and Ukraine, as well as Russia) and tactical nuclear weapons (limited to Russia, but dispersed at more than 100 locations);
- **nuclear weapons in storage** and/or awaiting dismantling;
- **stored nuclear components of dismantled nuclear weapons**;
- **bulk weapons-grade nuclear materials in the nuclear weapons production complex** prepared in years past for ultimate use in nuclear weapons;
- **fresh (unirradiated) nuclear submarine propulsion-reactor fuel** (some weapons-grade), found at production facilities and at various naval bases;
- **bulk weapons-grade nuclear material intended for submarine propulsion reactors**;
- **fresh weapons-grade fuel for research reactors**, found at production facilities and at various reactor sites;
- **plutonium extracted from civilian nuclear power reactors**; and
- **quantities of weapons-grade nuclear materials provided for research purposes** to various research institutes throughout the former Soviet Union.

In addition, all of these items and materials are potentially susceptible to theft or diversion during transit, for example, when research reactor fuel is shipped from the fabrication plant to the particular research reactor where it will be used, or when nuclear weapons are transported to disassembly plants.

II.

Given the secrecy surrounding the facilities where these items and materials are produced and used and given the secrecy that necessarily surrounds security arrangements to protect against efforts to circumvent them, it is not possible for me to offer a judgement about the adequacy of security at specific locations.

Enough information is available, however, to validate a second basic "rule of thumb," namely that security is probably best with respect to deployed nuclear weapons, which are under exclusively military supervision and guarded by elite troops, and probably weakest with respect to weapons-grade nuclear materials at research institutes run by civilian organizations, which are guarded by non-elite Ministry of Interior forces or local militia/police. Security applying to weapons-grade nuclear materials within the nuclear-weapons-production complex, under the control of the Ministry of Atomic Energy (MINATOM) and guarded by Interior Ministry forces, probably falls somewhere in between.

The accuracy of this important conclusion was confirmed to me by a Russian nuclear official in Moscow last month. To underscore the point that the weakest security is at the research institutes, he stated that earlier this year Gosatomnadzor (GAN) -- Russia's Nuclear Regulatory Commission -- had ordered the All Union Research Institute for Non-Organic Substances in Moscow to shut down for six months because of its lax arrangements for protecting a significant quantity of plutonium in the Institute's possession.¹

Dr. William Potter, in his testimony submitted for the record, has brought to the Committee's attention several episodes involving the possible theft of weapons-grade materials.

- The first is the "disappearance of an undisclosed quantity of highly-enriched uranium (HEU) from the 'Luch' nuclear research facility at Podolsk, near Moscow."
- The second is the "theft of three fuel rods containing HEU from a naval base in Murmansk."
- The third involves the sale of a small quantity of highly purified, weapons-grade plutonium -- the first

¹ The Yeltsin government, it may be noted, has given Gosatomnadzor (GAN) authority for overseeing security and safety matters at facilities run by MINATOM, but for some time GAN has had difficulties enforcing its mandate. It now has resident inspectors at most major MINATOM facilities, but MINATOM reportedly continues to seek to limit the role of the regulatory agency.

cime this commodity has been seen on the black market. The material apparently came from a plutonium processing plant.

- An additional case, the possible theft of some two or more kilograms of HEU from St. Petersburg, has been mentioned by FBI Director Louis Freeh.

Since there are no confirmed cases of theft of Russian nuclear weapons, but there are an increasing number of cases involving the theft of sensitive nuclear materials, the obvious conclusion is that controls over the latter are weaker than over the former and that significant improvements are needed.

Table I provides additional detail on the relative level of security with respect to different classes of sensitive nuclear assets. It also notes a number of additional factors relating to this issue, such as the number of facilities of concern for each class of material and the relative ease of accounting for individual items, in comparison to accounting for materials in bulk form.

It should be added that this pattern of differentiated security arrangements has also prevailed in the United States. One of the most egregious lapses that we have had, for example, occurred at the University of California at Los Angeles, where arrangements to secure more than a bomb's worth of weapons-grade-uranium research-reactor fuel were limited to locking it in a file draw. (See appendix).

III.

A third rule of thumb -- the rule of *unwarranted complacency* -- must also be borne in mind. Those in charge of security of nuclear weapons and weapons-grade materials are invariably loath to acknowledge that there may be weaknesses in their security programs. In my meeting with a senior official of the Russian National Security Council and in a separate discussion with a senior official at MINATOM, both insisted that there were no flaws in the security covering Russian nuclear assets. Nevertheless, such weaknesses must be assumed to exist.

The basis for this assertion comes from our own unhappy experience in the United States. During the early 1980s, notwithstanding assurances by U.S. Department of Energy officials that adequate levels of security were being maintained at DOE weapons facilities, gross flaws in security practices were discovered in a series of exercises by "mock terrorist" teams. I have attached a series of press stories about the episode.²

² See, e.g., Joseph Albright, "Mock Terrorist Penetrate the Savannah River Plant," *Atlanta Constitution*, September 15, 1982; Milton R. Benjamin, "U.S. 'Threat Assessment' Team Easily Seizes Control of Reactor," *Washington Post*, September 17, 1982.

Even today, it may be added, the General Accounting Office (GAO) continues to report that security at DOE facilities is not fully up to par.³

There have also been classified GAO studies detailing lax security covering U.S. nuclear weapons based abroad. Thus even for our most heavily protected assets, security has not always been adequate. This should be a cautionary reminder for our Russian colleagues.

IV.

A final rule of thumb, which is obvious to any observer but still deserves reiteration, is that *political and economic turmoil in Russia are likely to get worse before they get better*. This will put still further stresses on maintaining security over Russia's nuclear assets and could also increasingly bring into question the allegiance of the guardians of these assets -- allegiance on which the entire security system depends. If living standards for military personnel continue their decline, and if power continues to devolve from the center to the republics, nuclear guardians will become increasingly susceptible to subornation, even as Moscow's ability to maintain discipline over them grows weaker.

V.

The Clinton Administration is working with MINATOM and GAN to try to improve security at Russian nuclear installations. New emphasis is being given, for example, to enhancing Russian material control and accounting systems. Most recently, the Clinton Administration has urged the Yeltsin Government to implement a number of "quick fixes" at sensitive nuclear sites in order to improve security and to revitalize "oppositional exercises" in which mock adversaries challenge existing security arrangements.

Nonetheless, much clearly remains to be done, not the least, persuading Russian officials of the urgency of the problem and that existing security measures may not be as tight as they believe.

Moreover, none of these targeted new U.S. initiatives can hope to address the fundamental challenge to nuclear security in Russia -- the continuing turbulence of the country's political and economic affairs.

³ See, e.g., General Accounting Office, *Nuclear Security: Safeguards and Security Weaknesses at DOE's Facilities*, GAO/RCED-92-39 (December 1991).

Leonard S. Spector

Biographical Information

Leonard S. Spector has been active in the nuclear non-proliferation field for more than fifteen years, working first at the Nuclear Regulatory Commission and later as Chief Counsel to the Senate Energy and Nuclear Proliferation Subcommittee. While with the Subcommittee, Mr. Spector assisted in drafting the 1978 Nuclear Non-Proliferation Act, the basic law governing U.S. policy today.

Mr. Spector joined the Roosevelt Center for American Policy Studies in 1983 as a senior fellow. Since 1984, he has been a senior associate at the Carnegie Endowment for International Peace and Director of its Nuclear Non-Proliferation Project.

A frequent commentator on nuclear affairs in the media, Mr. Spector is the author of five books on the spread of nuclear weapons.

Mr. Spector is a graduate of Williams College and holds a law degree from Yale Law School.

Monterey Institute of International Studies



**PREPARED STATEMENT OF WILLIAM POTTER
BEFORE THE SUBCOMMITTEE ON INTERNATIONAL SECURITY,
INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS**

JUNE 27, 1994

Thank you very much Mr. Chairman and members of the committee for the opportunity to present testimony on the subject "International Organized Crime and Nuclear Security." My remarks focus specifically on the possible diversion of fissile material in the former Soviet Union and its export abroad.

In my testimony before this committee last September, I was able to report that most of the sensationalist accounts of blackmarket activities involving nuclear materials of NIS origin had not been substantiated. There was no hard evidence, for example, that nuclear weapons, nuclear weapon components or significant quantities of weapons-grade fissile material had been smuggled out of the successor states. Although I believe that those earlier evaluations remain essentially correct, I doubt if that will remain the case much longer. My growing pessimism is due to: (1) credible reports -- for the first time -- that weapons-grade plutonium may have been smuggled out of Russia; (2) evidence of serious deficiencies in the national safeguards system in Russia and the other successor states which possess nuclear assets; and (3) growing pressures in Russia to subordinate the objective of stringent export controls to those of hard currency exports and personal profit.

Nuclear Diversion and Exports

It is important to distinguish between confirmed cases of diversion of weapons-grade material from nuclear facilities in the former Soviet Union and the transport of such material to other states. To the best of my knowledge, there remain surprisingly few cases of confirmed -- as opposed to reported -- diversions involving weapons-grade material. The most serious involve

the disappearance of an undisclosed quantity of highly-enriched uranium (HEU) from the "Luch" nuclear research facility at Podolsk near Moscow, the theft of three fuel rods containing HEU from a naval base in Murmansk, and the case mentioned by FBI Director Louis Freeh involving the investigation in St. Petersburg of the possible theft of two or more kilograms of HEU. Most other alleged thefts of weapons-grade fissile material, including the 60 kilograms of HEU cited by Seymour Hersh in his widely publicized Atlantic Monthly exposé, in fact involved low-enriched uranium of no direct use in a nuclear weapons program.

There are even fewer cases in which FSU-origin weapons-grade material -- as opposed to dual-use nuclear commodities (e.g., zirconium, beryllium, and hafnium) and proliferation sensitive radioactive elements -- have been seized abroad. There is, however, one alarming recent development involving the seizure of a small quantity of weapons-grade plutonium in Germany.

Although details of the case remain sketchy, laboratory analysis by scientists at Karlsruhe indicates that approximately six grams of weapons-grade plutonium (99.75 Pu-239) were recovered from a small canister seized during the search of an apartment in Tengen near Konstanz on May 10, 1994. The plutonium was mixed with 50 grams of a metallic alloy. Isotopic analysis of the material suggests that it probably originated in the waste streams of metallic plutonium production at a reprocessing facility in Russia.

A detailed report on the case has not yet been released and German authorities have not ruled out the possibility that the six grams of weapons-grade plutonium may inadvertently have been collected as part of the larger quantity of high-level waste which was in the small container seized in Tengen. If, however, the preliminary findings are confirmed, the threat of illicit international trade in weapons-grade material will no longer be theoretical.

Deficient Safeguards

U.S. denuclearization efforts under the Cooperative Threat Reduction Program correctly have emphasized the rapid transfer of nuclear weapons to Russian territory and their dismantlement. More attention, however, must be given to improving the national safeguards system in Russia,

as well as in Belarus, Kazakhstan, and Ukraine. A failure to remedy severe shortcomings in national safeguards will invite efforts by individuals and organized crime to divert weapons-grade material from civilian nuclear facilities.

National safeguards refer to measures undertaken by national governments to detect, deter, prevent, or respond to the unauthorized possession or use of nuclear materials. They tend to emphasize the provision of physical security and material control and accounting and are directed at non-state actors. All of the post-Soviet states with nuclear assets suffer from major deficiencies in national safeguards. Particularly worrisome are suspect security and accounting procedures at nuclear fuel storage facilities for propulsion reactors, plutonium storage facilities for dismantled weapons, and sites for research reactors, critical assemblies, and fast breeder reactors

The most dangerous and immediate problem involving inadequate physical security concerns the large stockpile of HEU in the form of fuel for Russia's nuclear propulsion reactors. This fresh fuel, much of it enriched to between 70 and 90 percent, is concentrated at shipbuilding plants that in 1993 supported over 200 nuclear-powered ships in the Russian Navy's Northern and Pacific Fleets, as well as seven civilian nuclear ice-breakers. These ships contained nearly 400 nuclear reactors. An associated, but subordinate physical security problem relates to the storage of spent fuel from the reactors of 113 nuclear-powered submarines that recently have been decommissioned

Very little information is available in the public domain regarding physical security at fuel storage sites for naval reactors or at the sites for decommissioned submarines. Interviews with knowledgeable Russian nuclear engineers, naval experts, export control officials, and environmentalists, however, suggest that significant problems exist. They pertain to lax security at storage sites, confused lines of authority regarding material control at these facilities, and suspect reliability on the part of those charged with responsibility for securing access to the nuclear material

Security is especially suspect at some of the make-shift interim storage sites for fuel rods from decommissioned submarines. Photographs of such sites in the Kola Peninsula indicate huge open-air piles of fuel rods protected only by barbed wire. Russian Foreign Ministry officials involved in nuclear export controls also recently have expressed alarm regarding minimal security at these sites.

According to experts at Moscow's Kurchatov Institute, fresh nuclear fuel stockpiles for naval reactors are under the control of two different bodies, although the stocks are co-located. New fuel for naval reactors is under the custody of the Ministry of Shipbuilding, while strategic stocks of fuel (much of it HEU) are under the control of the Committee for the Defense Industry. This duality of control, the existence of dual material accounting systems, and the reluctance of either body to date to cooperate with the Russian nuclear regulatory body, Gosatomnadzor, creates conditions that could be exploited by individuals or organized groups seeking access to the HEU. Although separate material accounting systems exist on paper at the nuclear fuel stockpiles, no physical inspections or checks of the nuclear material inventories have been conducted in the past decade -- if ever. Material accounting, to the extent that it was employed, tended not to be facility specific and was used mainly for central planning and financial purposes. Material control relied on a system of personal responsibility in which a designated person was entrusted with the nuclear material until it was passed on to another designated individual.

A team of safeguards experts at the Kurchatov Institute is now attempting to persuade Russian authorities to introduce a modern system of material control and accounting at the propulsion reactor fuel storage facilities. At the present time, however, Gosatomnadzor, which technically has authority for assuring physical protection and material accounting, at best can provide an item count of sealed fuel containers. It currently is prevented by those with custody over the nuclear material from inspecting the contents of the containers. Access reportedly is limited because of bureaucratic resistance to what is perceived as undue intrusion by another organization and because of concern by the Ministry of Shipbuilding and the State Committee for the Defense Industry that Gosatomnadzor will discover that something is amiss, if not missing.

The problems of inadequate physical protection and underdeveloped material control and accounting are not confined to large fuel stockpiles for propulsion reactors. Indeed, lax physical security and shoddy material control and accounting applies to most, if not all, civilian nuclear facilities in the former Soviet Union. Senior authorities at the Institute of Power Engineering Problems at Sosny in Belarus, for example, acknowledge privately that due to sloppy past accounting practices they cannot now determine the quantity of HEU even at their own facility. Given the small amount of material in question at Sosny (between 33 and 35 kilograms of HEU enriched to 90 percent), one can imagine the uncertainty at nuclear facilities in Russia that possess HEU and plutonium stocks thousands of times larger. Under such conditions, it is probably impossible at the present time to distinguish between "material unaccounted for" and material that has been stolen.

Until recently, it generally was assumed in the West, that notwithstanding possible shortcomings in the civilian nuclear sector, physical security was high in the military domain. Although security at military facilities probably remains much higher than at civilian nuclear sites, Ministry of Atomic Energy (Minatom) officials recently have stated that interim storage facilities for plutonium from dismantled weapons are "not very safe" and are not adequately guarded. This expression of concern may be designed to increase pressure on the United States to expedite Nunn-Lugar funding for a plutonium storage facility long sought by Minatom. Nevertheless, the explicit acknowledgement that plutonium storage facilities are vulnerable to theft must be taken seriously, especially in light of a number of complicating factors: the enormous quantities of weapons-grade material in question, the growing disaffection of large segments of the Russian population, plummeting morale in the Russian military and the nuclear industry, the widespread disregard in Russia for law, pervasive corruption throughout the government, the increasing reach of organized crime, and an economic malaise that encourages the plunder and sale of government property. Perhaps the most significant indicator that Minatom's warning was not primarily designed for external consumption is the fact that in 1993 it strongly endorsed internal measures to strengthen safeguards, especially security of HEU and plutonium, although financial difficulties and inter-agency bureaucratic battles have delayed their implementation. Among the specific safeguards deficiencies noted by Minatom, according to a recent study by Russian physicist Oleg

Bukharin, are the shortage of trained personnel and modern equipment, inadequate material transport control procedures, and the lack of storage and processing facilities.

Export Controls

Little has changed in the export control sphere since my testimony before this committee last fall. Regrettably, it remains the case that should individuals or organized crime groups succeed in obtaining nuclear material, there are few barriers to transferring the material across national borders. Porous frontiers between Russia and the other Soviet successor states make it a simple matter to ship illicit goods from Russia to the other former republics. Transshipment of nuclear material to third parties is also facilitated by the shortage in the non-Russian successor states of trained export control and customs personnel and the lack of equipment for monitoring illicit nuclear trade. In recent years, the Baltic states, in particular, have emerged as major transshipment points for dual-use nuclear goods produced in Russia and Ukraine.

Action taken to try to remedy these shortcomings, such as the June 26, 1992 agreement on export control coordination among eight of the successor states, has yet to produce the intended results. Although Belarus and Ukraine have made some progress during the past year in establishing new export control procedures, effective controls in all of the post-Soviet states, including Russia, are undermined by severe budget constraints, a shortage of trained personnel (aggravated by the migration of many government professionals to the more lucrative private sector), the absence of legislation governing nuclear energy and nuclear exports, and the low priority most policymakers attach to nuclear nonproliferation and export controls. It is revealing, for example, that the bilateral and multilateral agreements that have been concluded since 1991 among the security services of the post-Soviet states do not include specific cooperation to combat nuclear smuggling.

I believe that in most cases the lack of attention to export controls in the former Soviet Union does not connote governmental sanction for export control abuse. In fact, Russia, like the Soviet Union, generally has adopted a prudent approach to nonproliferation and has a long history of cooperation with the United States in the sphere of preventing the spread of nuclear weapons.

This positive orientation, however, is threatened today by two parallel developments. One is well known and involves the growing economic pressure to generate hard currency. It is manifest in decisions taken by the Russian Export Control Commission to sanction the sale of nuclear power reactors to Iran, to provide China with nuclear assistance (including a uranium enrichment plant), and to market a variety of sensitive non-nuclear defense wares to would-be nuclear proliferants. Although these sales do not violate Russia's Non-Proliferation Treaty (NPT) obligations, they are imprudent and can only encourage other states to subordinate nonproliferation objectives to those of economic gain. Unfortunately, past advocates of proliferation restraint in the Ministry of Foreign Affairs appear to have lost ground in their bureaucratic battles on nuclear exports with the Ministry of Foreign Economic Relations, Minatom, and possibly also the Ministry of Economics. A new and vocal champion of exports without regard to nonproliferation implications has emerged in the form of Russian parliamentarians. Export control restraint also is not assisted by the fact that the Chair of the Export Control Commission, Oleg Soskovets, simultaneously heads the Commission for Military and Technology Cooperation, whose mandate is to promote the export of Russian defense goods.

This tendency to emphasize profits over proliferation may be reinforced by the new trend in Russian foreign policy that seeks to assert a more influential and independent role for Russia in world affairs. Although this development may not interfere with Russia's long-standing cooperation with the United States on nonproliferation and export control issues, the potential for strained relations already is apparent in recent U.S.-Russian skirmishes over Moscow's missile-related sales to India, means to curb North Korea's nuclear ambitions, and continuation of UN sanctions toward Iraq. The proliferation danger represented by Russia's new foreign policy assertiveness is that traditional proponents of export control restraint in the Foreign Ministry will find it more difficult politically to contest the export of proliferation-sensitive goods. Russia also may be more reluctant to endorse nonproliferation initiatives that bear a clear U.S. imprimatur.

Policy Implications

Most of the nuclear security and export problems I have identified are deeply rooted in the difficult economic, political, and social conditions of contemporary Russia. As such, they are

unlikely to be resolved until progress is made in stabilizing the economy and in restoring public trust in governmental institutions, law, and social justice. These changes will not occur soon, and the United States, at best, only can make a difference at the margins. We can and should, however, try to make that difference.

There is no shortage of good recommendations, some of which actually have been adopted as U.S. policy. They include efforts to encourage post-Soviet state accession to the NPT, to put in place international nuclear safeguards, to foster more routine and extensive sharing of U.S.-Russian intelligence regarding nuclear exports in general and organized crime activities in particular, and to expedite the delivery of financial and technical assistance in the areas of export controls, physical security, and material control and accounting.

What too often has been lacking in U.S. policy is prompt implementation. The bureaucratic reasons for delay in the U.S. government and on the recipient side are well known. Also inhibiting the pace and impact of U.S. denuclearization assistance efforts, however, have been a poor understanding of the nuclear infrastructure and domestic sources of nuclear policymaking in the former Soviet Union (especially in the non-Russian states) and the hesitance of U.S. governmental agencies to work more closely with non-governmental organizations in pursuit of mutual nonproliferation objectives.

Illustrative of these difficulties is the problem the United States has had in providing timely assistance to key organizations in Belarus, Kazakhstan, Russia, and Ukraine with expertise in and responsibilities for export controls, physical protection, and material control and accounting. If the U.S. government is unable to reach interagency agreement on who those parties are and/or is incapable of persuading the lead actors on the recipient country side (e.g., Minatom in Russia) to utilize the funds as intended, it should engage U.S. foundations or non-governmental organizations with good ties in the former Soviet Union to dispense at least a portion of the funds while they may still do some good. A non-governmental Center for Nonproliferation and Export Controls in Belarus is available today to begin training export control officials but has no funds; a modern system for material control and accounting has been developed by a team at the

Kurchatov Institute in Moscow, but cannot get money to test the system; the Export-Technical Committee in Kiev would like to train personnel on dual-use export controls but lacks resources; the nuclear regulatory agencies in all of the successor states desperately seek access to nuclear trade publications, but have no hard currency for subscriptions. Delivery of funds for these small but important activities should not have to wait until another sensationalist report about nuclear smuggling turns out to be true.



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Biographical Sketch for Dr. William C. Potter

Dr. William Potter is a Professor and Director of the Center for Russian and Eurasian Studies at the Monterey Institute of International Studies. He also directs the MIIS Program for Nonproliferation Studies. He is the author of *Nuclear Profiles of the Soviet Successor States* (1993), *Soviet Decisionmaking for Chernobyl: An Analysis of System Performance and Policy Change* (1990), and *Nuclear Power and Nonproliferation: An Interdisciplinary Perspective* (1982), the editor of *Verification and SALT: The Challenge of Strategic Deception* (1980), *Verification and Arms Control* (1985), and *International Nuclear Trade and Nonproliferation* (1990), and the co-editor of *Soviet Decisionmaking for National Security* (1984), *The Nuclear Suppliers and Nonproliferation* (1985), *Continuity and Change in Soviet-East European Relations* (1989), and *International Missile Bazaar: The New Suppliers' Network* (1994). He also has contributed to numerous scholarly books and journals. He has served as a consultant to the Arms Control and Disarmament Agency, Lawrence Livermore National Laboratory, the RAND Corporation, and the Jet Propulsion Laboratory. His present research focuses on nuclear safety in the former Soviet Union, the emerging nuclear and missile suppliers, and nuclear proliferation in the Newly Independent States. He is a member of the Council on Foreign Relations and the International Institute of Strategic Studies, and serves on the Board of Directors of the BENS Nonproliferation Steering Group and the Board of Advisors of the Washington Council on Non-Proliferation. He also serves on the AAAS Committee on Science and International Security.

NUCLEAR WEAPONS AND FISSILE MATERIAL SECURITY IN RUSSIA

TESTIMONY
OF
THOMAS B. COCHRAN, Ph.D.
SENIOR SCIENTIST
OF THE
NATURAL RESOURCES DEFENSE COUNCIL, INC.

BEFORE THE
COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON INTERNATIONAL SECURITY,
INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS

JUNE 27, 1994

I. INTRODUCTION.

Mr. Chairman, my name is Thomas B. Cochran. I am a physicist and director of the Nuclear Program of the Natural Resources Defense Council (NRDC). NRDC has been engaged since 1986 in a series of joint demonstration projects, site visits and studies related to the verification of a nuclear test ban, verification of nuclear warhead disposition, and fissile material control. We have worked with various institutions in the Soviet Union and Russia, including the Soviet/Russian Academy of Sciences, Foreign Ministry and Ministry of Atomic Energy. I welcome this opportunity to present NRDC's views on the security of nuclear weapons and fissile material in Russia and the Administration's policies and programs for assisting Russia in improving its security over these materials.

II. SECURITY OF RUSSIAN NUCLEAR WEAPONS AND FISSILE MATERIALS.

Earlier today you heard testimony from the Director of Central Intelligence, James R. Woolsey. There is little we can add to his assessment of the situation in Russia. Nevertheless, I want to reiterate, or highlight, a few reasons why we believe the issue of security of nuclear warheads and weapons-usable fissile materials in Russia should be among the very highest U.S. national security concerns.

There are about 30,000 nuclear warheads in the Former Soviet Union, about 1000 tons of weapon-usable highly-enriched uranium (HEU) and about 160 tons of separated plutonium in weapons or available for weapons, and about 30 tons of separated civil plutonium stored in Russia. Most, if not all, of these inventories are stored under inadequate conditions of physical security and of material control and accounting.

Russian President Boris Yeltsin has said that 40 percent of individual private businessmen and 60 percent of all Russian companies have been corrupted by organized crime. Reports of illegal activities in Russia associated with nuclear materials—offers to sell and successful and unsuccessful attempts to steal nuclear materials—are appearing in the Russian and European press on the order of several per week. Low-enriched uranium fuel has been stolen. An unknown quantity of HEU, said to be on the order of 0.8 kilograms, together with a much larger quantity of beryllium, was stolen from a Russian nuclear facility, perhaps the Institute of Physics and Power Engineering at Obninsk. These materials were recovered last year by Lithuanian authorities in Vilnius. This may be the case involving the theft of several hundred grams of HEU that has been confirmed by the Russian Ministry of Atomic Energy (Minatom). In another case a Russian nuclear scientist from the Luch Production Association, which manufactures nuclear space reactors, was apprehended in October 1992 at the Podolsk train station with 1.5 kilograms of HEU in his suitcase. These are cases we know about because the materials were intercepted. We know for certain that kilogram quantities of weapons-usable materials are being stolen from Russian nuclear institutions, and some of it has

crossed international borders. There may have been other diversions of nuclear weapons-usable materials that were successful and have gone undetected.

Corruption is rife in the Russian Army; approximately 3,000 officers have been disciplined for engaging in questionable business practices, and 46 generals and other officers face trial on criminal charges, according to a recent Department of Energy report.¹ In 1992, some 40,000 charges of corruption were brought against members of the Russian armed forces. In the same year, the Russian defense ministry reported 4,000 cases of theft of conventional weapons from military depots and nearly 6,500 cases in 1993.²

Nuclear warhead storage capacity in Russia is inadequate to store the inventory of nuclear warheads that have been returned to Russia from other former Soviet republics. Many nuclear warheads are now being stored in facilities constructed for the storage of conventional munitions under less than adequate physical security. Some Special Operations ("Spetsnaz") units of the Russian military are trained in how to use atomic demolition munitions (ADMs) and have the necessary knowledge, skills and, in some cases, access to nuclear weapons storage depots. Current and former Spetsnaz soldiers, either for profit or political reasons, could steal ADMs or other easily transportable tactical nuclear weapons. As evidenced by the illegal traffic in conventional munitions, it is rather easy to smuggle weapons stolen from storage depots in Russia across the border into Poland, or some other East-European country, and from there via a third party to anywhere in the Middle East.

The Russian central government is highly unstable. There is only limited rule of law. Political authority is often ignored. President Boris Yeltsin is increasingly currying favor with ultra-nationalist factions. Colonel Vladimir Zhirinovskiy or another hard-line nationalist may be the next president. In order to retain power the next Russian president may seek a politically hostile relationship with the United States in order to strengthen the military and turn attention away from a failing economy. Nuclear arms reductions may be halted or reversed.

This sorry state of affairs is not a criticism of the efforts of the many dedicated officials within the Russian central government and ministries who are trying to cope with this situation. Rather, it is a reflection of the desperate state of the Russian economy and the instability of the Russian government. Nevertheless, these are among the reasons that improving physical security over nuclear warheads and weapons-usable fissile

¹ U.S. Department of Energy, Office of Intelligence and National Security, Office of Threat Assessment, "The Russian Mafia," 15 November 1993.

² "The High Price of Freemg Markets," *The Economist*, 19 February 1994, as cited by Jonathan Dean in "The Final Stage of Arms Control," Union of Concerned Scientist, 21 May 1994.

material, and improving fissile material control and accounting in Russia, should be among the very highest U.S. national security priorities.

III. A COMPREHENSIVE GLOBAL SAFEGUARDS REGIME SHOULD BE A PRIORITY U.S. OBJECTIVE WITH RESPECT TO FISSILE MATERIAL CONTROL AND DISPOSITION.

As we have watched the situation in Russia deteriorate, we also have witnessed an effort by North Korea to gain nuclear weapons in violation of its Nonproliferation Treaty (NPT) and International Atomic Energy Agency (IAEA) obligations. Also, as tens of tons of plutonium are removed from retired weapons in the United States and Russia, there is an even larger and growing surplus of plutonium that has been separated from civil nuclear power reactor spent fuel in Europe and Japan. In both the military and civil sectors, neither the countries involved, nor the IAEA, are able to provide adequate material accounting of plutonium inventories at most of the facilities involved in the chemical separation of plutonium and the manufacture of weapons components or civil mixed-oxide (plutonium and uranium oxide) nuclear fuel. At present there is no way to determine through inventory material accounting procedures alone whether weapon quantities of plutonium are being diverted from these military and civil bulk handling facilities.

Given the substantial nuclear proliferation risks today, building toward a comprehensive non-discriminatory safeguards regime should be a high priority in its own right. If such a program were initiated promptly, even on a bilateral basis, we would improve our chances of achieving an effective international safeguards regime that can prevent proliferation by providing the international community with timely warning of any theft or diversion from peaceful use.

A comprehensive nuclear non-proliferation program would:

- (a) seek deep reductions in the deployed and reserve arsenals of all nuclear-weapon states, declared and undeclared;
- (b) achieve a universal, global fissile material control regime with the minimum objective of having all retired weapons and weapon components subject to some type of monitoring, and other fissile materials stored under international safeguards, such as those of the IAEA;
- (c) achieve a global, verified cutoff in the production of fissile materials for weapons purposes with safeguards over fissile material production facilities;
- (d) actively discourage and seek a moratorium on programs for the civil production and use of separated plutonium and HEU, with particular emphasis on

programs in Japan and Russia. The objective here is a complete ban on civil production, stockpiling and use of weapons-usable fissile materials, with verified declarations and reductions of existing stocks;

(e) seek to cap and draw down the world inventories of weapons-usable fissile materials; and

(f) reinforce and strengthen regional and global norms against the proliferation of nuclear weapons.

The Clinton Administration's nonproliferation policy shares some of these objectives, but unfortunately the Administration does not have as one of its objectives building toward a comprehensive non-discriminatory safeguards regime that covers all nuclear weapons and weapon-usable fissile material.

IV. SHORTCOMINGS OF THE ADMINISTRATION'S NUCLEAR WARHEAD FISSILE MATERIAL CONTROL STRATEGY.

The United States does have a coherent set of national security objectives related to the elimination of nuclear weapons and weapon-usable fissile material in Russia. Below we review the progress that this and the previous Administration have made with Russia in each of the following areas:

- cooperative reduction and elimination of nuclear weapon delivery systems;
- verified, safe, secure dismantlement of nuclear warheads;
- providing adequate physical security and material control and accounting of the nuclear warheads and weapons-usable fissile materials; and
- capping and drawing down the stocks of weapons-usable materials.

A. Cooperative Reduction and Elimination of Nuclear Weapon Delivery Systems.

This is the one area where this and the previous Administration have made important tangible progress. Most recently the Clinton Administration has made real progress in insuring that Ukraine, Kazakhstan, and Belarus will eliminate nuclear weapons from their national territories and join the NPT as non-nuclear nations.

On the downside, there is a widespread view among Russian experts that the START II Treaty unfairly favors the United States. Consequently, the Russian Duma appears unlikely to ratify the START II Treaty. The Administration has not tried to

resolve the Russian concerns over fairness in order to insure ratification of START II. Nor does the Administration appear willing to engage the Russians in negotiations designed to bypass START II and seek deeper reductions in the arsenals that are satisfactory to both sides. The lowest force posture in the Pentagon's Nuclear Posture Review has more than 3,000 operational warheads. The Pentagon may wish to retain an additional few thousand strategic warheads as a reserve. This corresponds to U.S. force levels in the 1960s, at the height of the Cold War. The Pentagon is apparently not interested in deeper cuts in the superpower arsenals at this time.

B. Verified, Safe, Secure Dismantlement of Nuclear Warheads.

In response to the unilateral initiatives by Presidents Bush and Gorbachev to eliminate most tactical nuclear warheads, and as a consequence of START I, the United States and Russia have been dismantling some 1,500 to 2,500 warheads per year and plan to continue dismantling at this rate until 2000 to 2003. It should be noted, however, the U.S. government does not know within thousands how many nuclear warheads the Russians have. We don't know within hundreds how many warheads are dismantled annually. We don't know within tens of tons how much plutonium the Russians have produced, or within hundreds of tons how much HEU the Russians have produced.

The logical first step is to engage the Russians in a reciprocal of exchange of data related to warheads and weapons-usable fissile material. Such a data exchange, if accompanied by agreed measures to substantiate the data, would:

let us know what the Russians have and where it is;

allow us to independently tell whether weapons and weapons-usable fissile material have been diverted; and

give us a better assessment of what improvements are needed with respect to Russian physical security and material accounting programs.

But such a program, if it is to be effective, must be comprehensive; and if it is to be accepted by the Russians, it must be implemented with full reciprocity. A bilateral verified data exchange with Russia could be the first step in developing the global fissile material control regime called for above.

On 12 February 1992 Foreign Minister Andrei Kozyrev formerly proposed a reciprocal data exchange among all nuclear nations on inventories of nuclear weapons and fissile materials, and on nuclear weapons production, storage and elimination facilities. Even to this day, the U.S. Government has failed to respond positively to this initiative or offer a constructive alternative proposal. The principal problem was opposition, primarily from the Pentagon, to reciprocal inspections of U.S. nuclear weapon

facilities by the Russians. The Clinton Administration actively quashed a recent German initiative to add nuclear weapon inventories to a U.N. registry now limited to conventional arms, and even opposed a registry limited to warheads dismantled.

Within the past two weeks we have had something of a breakthrough within the Clinton Administration. The Pentagon, prodded by the DOE, has finally agreed, at least in principle, to propose to the Russians a bilateral data exchange, and some yet to be defined verification measures, covering all warheads, except operational and inactive reserve warheads, and all fissile materials. In other words, the proposed data exchange and verification measures would cover those warheads awaiting dismantlement, those being dismantled, and the fissile materials recovered from dismantled warheads and in civil stocks. This agreement in principle has not yet been developed into a concrete proposal, and a major opportunity was lost last week when it was omitted from the discussions between Vice President Albert Gore and Russian Prime Minister Viktor Chernomyrdin.

In sum, the U.S. Government has not yet advanced a coherent program for verifying the elimination of tens of thousands of former Soviet warheads and tracking the ultimate disposition of hundreds of tons of surplus bomb-grade materials in the Russian nuclear stockpile. The steps that have been taken are in the right direction, but are minimal and slow. Overall the U.S. transparency effort has been moving at a snail's pace and has been a history of missed opportunities.

C. Providing Adequate Physical Security and Material Control and Accounting of the Nuclear Warheads and Weapons-Usable Fissile Materials.

Since the United States is paying for a major share of the storage facility in Russia that will be used to store fissile material removed from weapons, Russia has indicated it would be appropriate for the U.S. to have some yet to be defined level of transparency over the materials stored therein. But this does not address the immediate problem of the adequacy of the physical security and material accounting at Russian facilities used for storage and processing weapons-usable material today and other civil and military facilities that will continue to be used in the future. With respect to what should be the highest priority--safeguarding existing facilities--the Administration's approach is too narrowly circumscribed, is too slow in its implementation, and has been marked by failure.

The Administration has no program whose objective is to improve the physical security of the thousands of Russian nuclear warheads in interim storage prior to their disassembly. As noted earlier, many of these weapons are stored under inadequate physical security at facilities designed for the storage of conventional munitions. We have no program because the Russian Ministry of Defense will not give the U.S. access to Russian nuclear weapons storage sites except on a reciprocal basis, and the Pentagon will

not engage in any program that gives Russia access to U.S. operational nuclear weapons or those retained as an inactive reserve. The U.S. program designed to safeguard Russian warheads is limited to two inconsequential programs for providing Kevlar armored blankets and secure rail cars under the DOD-administered Safe Secure Dismantlement (SSD) program.

The U.S. proposals for improving the safeguards over the fissile material presently in storage in Russia have been unsuccessful to date. Not one single improvement has been made in the physical security or material control and accounting at a fixed facility in Russia as a consequence of funds allocated by Congress under the Soviet Threat Reduction Act of 1991 ("Nunn-Lugar"). The U.S. proposals have not provided sufficient incentive for the Russian Ministry of Atomic Energy (Minatom) to participate, and the Russians have rejected or made meaningless the U.S. proposals to date. For the most part the U.S. proposals provide no means by which the United States can determine independently the adequacy of material control and accounting and physical security at specific Russian sites. Nor do they provide a capability to measure the success of the proposed U.S. initiatives.

D. Capping and drawing down the stocks of weapons-usable materials.

There are two parts of this aspect of the Administration's effort: purchase of Russian HEU, and cutting off the production of weapon-grade plutonium. With respect to the first, the United States stopped production of HEU for weapons in 1964. The United States has agreed to purchase 500 metric tons of HEU from Russia which will be blended down into low-enriched uranium in Russia. By failing to engage the Russians in a data exchange, the U.S. Government does not know what fraction of the total Russian HEU inventory it is purchasing.

The HEU purchase agreement includes a recently negotiated protocol that was meant to detail how the United States would be assured that the HEU was derived from dismantled Russian weapons. The transparency protocol negotiated by the Administration may permit the U.S. to confirm that the uranium was HEU, but it apparently does not permit the U.S. to confirm that the HEU actually is from dismantled weapons. Moreover, Russia continues to produce HEU for "nonweapons purposes," in effect replacing the HEU being sold to the United States.

With respect to providing assistance to enable Russia to stop the production of weapon-grade plutonium at three dual-purpose reactors in Siberia that co-produce electricity and heat for the surrounding regions, the Administration was slow to respond to a Russian request for assistance. The Administration did not get serious until Congress conditioned the release of Nunn-Lugar money for plutonium storage on a serious commitment to halt plutonium production for weapons (via the Markey amendment). The DOE began to take charge. Secretary O'Leary and Minister

Mikhailov signed a protocol that looked good enough superficially to satisfy the Markey amendment; but the agreement represented a step backward, in terms of an early shutdown of the remaining Russian plutonium production reactors. The DOE undermined its own initiative by failing to identify a source of western financing before agreeing to condition the reactor shut-down on the availability of western financing without first identifying a source for such financing.

In late-May, Ambassador Goodby negotiated a follow-on agreement that commits Russia to shut down its three remaining plutonium production reactors by the year 2000 at the latest, and to implement safeguards to ensure that plutonium produced by these reactors would not be used in weapons. This agreement was signed by Vice President Gore and Prime Minister Chernomyrdin last week. While the goal is laudable, this latest agreement does not represent significant progress. Presidents Gorbachev and Yeltsin have already made public commitments to shut down the reactors by the year 2000. The new agreement excludes two other production reactors in Russia that are used for tritium production, and it excludes the chemical separation facility that processes the spent fuel from these reactors. Half of the plutonium produced in Russia today is chemically separated at this facility, that is also used to process spent naval and civil reactor fuel. The Russians refuse to include this chemical separation plant in a bilateral safeguards agreement, primarily because the United States refuses to give the Russians reciprocal oversight over U.S. naval reactor fuel. Moreover, in an effort to get the Russian Ministry of Atomic Energy to consider a broader safeguards agreement at some later date, Ambassador Goodby's team assured the Russians that the U.S. Government would not use a future broader agreement as a means to restrict civil reprocessing in Russia.

V. Summary.

In sum, the Soviet Threat Reduction Act of 1991 ("Nunn-Lugar") had as its fundamental purposes to **destroy nuclear weapons**, **safeguard weapons** in connection with their destruction, and **establish verifiable safeguards** against the proliferation of such weapons. Now, some two and one-half years later, we see that implementation of Nunn-Lugar by this and the previous Administration has largely failed to accomplish its central purposes, and it is unlikely to do so unless there are fundamental reforms in the Administration's policies and implementation efforts. The Administration's program can be characterized as attempting too little, moving too slowly, and most regrettably, it may be too late to achieve the desired result.

The Administration's current package of initiatives will not succeed. There is no coherent comprehensive objective. There is no effort to achieve a universal, global safeguards regime that covers all nuclear weapons and weapons-usable fissile material. There is no incentive for the key Russian ministries to participate. The Administration is not making constructive use of U.S. and Russian nuclear weapons laboratories to attack this problem. The negotiation process is too slow to provide timely results.

DR. THOMAS B. COCHRAN

Dr. Cochran is a Senior Scientist at the Natural Resources Defense Council (NRDC) and director of NRDC's Nuclear Program. He initiated, and directed the American participation in, several joint U.S.-Soviet nuclear weapons verification projects. These including a joint project with the Soviet Academy of Sciences, which demonstrated the feasibility of utilizing seismic monitoring to verify a low-threshold test ban treaty, and a joint experiment with the Soviet Academy of Sciences, the Soviet Navy, and the Kurchatov Institute, which examined the utility of radiation detectors to verify the presence, or absence of nuclear weapons on ships. For his leadership in nuclear test ban verification, Dr. Cochran received the **American Physical Society's Szilard Award** (1987) and the **Federation of American Scientists' Public Service Award** (1987); and NRDC received the **AAAS Award for Scientific Freedom and Responsibility** (1989) and **Lawyers Alliance for World Security (LAWS) second annual W. Averell Harriman Award** (1992).

Dr. Cochran is the author of *The Liquid Metal Fast Breeder Reactor: An Environmental and Economic Critique* (Washington, DC: Resources for the Future, 1974); and co-editor/author of the *Nuclear Weapons Databook, Volume I: U.S. Nuclear Forces and Capabilities* (Cambridge, MA: Ballinger Press, 1984); *Volume II: U.S. Nuclear Warhead Production* (1987); *Volume III: U.S. Nuclear Warhead Facility Profiles* (1987); and *Volume IV: Soviet Nuclear Weapons* (1989). In addition, he has published numerous articles and working papers, including those in *SIPRI Yearbook* chapters, *Arms Control Today*, and the *Bulletin of the Atomic Scientists*. He coauthored the article on "Nuclear Weapons" in the 1990 printing of the *New Encyclopædia Britannica* (15th edition). Dr. Cochran's areas of special focus include nuclear weapons research and production, arms control, nuclear weapons proliferation, safeguards, seismic verification, national energy R&D policy (principally nuclear energy issues, the breeder reactor, and plutonium recycle), and radiation exposure standards.

Dr. Cochran has served as a consultant to numerous government and non-governmental agencies on energy, nuclear non-proliferation and nuclear reactor matters, including serving as an advisor to the Secretary of Energy as a member of the Energy Research Advisory Board of the Department of Energy and to the Nuclear Regulatory Commission as a member of the Advisory Committee on the Clean Up of Three Mile Island. He currently serves as a member of the Three Mile Island Public Health Advisory Board.

Dr. Cochran received his Ph.D. in Physics from Vanderbilt University in 1967; served in the Navy (LT USNR) as an assistant professor of physics at the Naval Postgraduate School, Monterey, CA from 1967 to 1969; was a group supervisor at Litton Scientific Support Laboratory, Fort Ord, CA from 1969-1971; a senior research associate at Resources for the Future in Washington, D.C. from 1971 to 1973; and has been with the Natural Resources Defense Council since 1973.

BUILDING OPEN SOCIETIES: PROMISES AND PITFALLS
AUGUST 1, 1994
THE HONORABLE TOM LANTOS

It is quite commonplace to observe nowadays that the initial euphoria after the fall of the Communist regimes in Eastern Europe and the former Soviet Union has given way to widespread alienation, suspicion, and disenchantment as the peoples of these regions continue to see their expectations for a better material life unfulfilled while crime, corruption, and unemployment mount daily. While there appears to be little reason to fear a return to the totalitarian regimes of the past, there is no certainty that stable democratic, market-oriented regimes will develop either.

Instead, some scholars, like Philippe Schmitter at Stanford, have noted the possibility of ad hoc democracies that muddle through but never really take root and gain legitimacy. They continue almost by default, but as time goes by they are beset by an ever increasing number of internal and sometime external threats to their survival. Obviously, that situation provides fertile ground for extremists who seek to advance their narrow, sectarian interests at the cost of the general good. They are more than happy to attack the institutions of pluralistic society, which they perceive as inimical to their goals. Of course, it has happened before in that part of the world and it could happen again if these peoples are not vigilant in promoting and protecting their newly won liberties, and if they do not receive much greater material support from the West. My esteemed friend George Soros, states this case most eloquently in his written testimony and I quite agree with him.

George Soros doesn't paint an optimistic picture and I share his pessimism. The best opportunity to help the countries of Eastern Europe and the former Soviet Union was right at the start of this new era. That is when the West should have launched a program comparable in scope to the Marshall Plan. That chance has been missed, and I fear that even if the West were to increase dramatically its engagement with the East, it may be too late to stave off a very long period of instability in the region. Nevertheless, we should immediately increase assistance levels to these countries and, most important, open our markets to their products. This is quite simply a policy of enlightened self-interest.

If I am dubious about the American people's willingness to adopt a more generous attitude toward foreign assistance, I am outright convinced that they are unwilling to make a deeper commitment to help struggling nations establish or consolidate democracy. In an extremely insightful article in the Summer 1994 issue of Foreign Policy, Professor Michael Mandelbaum, of John Hopkins University, discusses why it is impossible for Western donor nations to avoid being drawn into local political conflict while they are providing humanitarian assistance to civilian populations. Since most of the violence and dislocation in these countries is a direct result of political conflict, it is futile to believe that Western donors can simply side step the local power struggle and deliver humanitarian assistance. I think that events in Somalia and Bosnia show the wisdom of his words.

Prof. Mandelbaum also criticizes the American proclivity for the "surgical" strike approach to intervention a la Grenada and Panama or even the Persian Gulf War. Mr. Mandelbaum asserts that most of the conflict in the failed states around the world today will require long-term engagement by the West -- a process he compares to psychiatry. Haiti alone offers proof of this - a country that lacks any meaningful democratic experience is going to need tremendous assistance from the international system if it is ever to establish a stable society. Removing Cedras and his thugs from power is only the beginning of the process, but to hear of it in the U.S. press, one would think that was the ultimate goal.

The shortsightedness of the American public, its refusal to accept the responsibilities that go along with the perquisites of power, and our political establishment's timidity in the face of the U.S. public's disinterest in the rest of the world is one of the most discouraging and dangerous aspects of the current international scene.

I am pleased today to have with us three Americans who buck that trend and bring honor to themselves, their organizations, and our country by their extraordinary activism and abiding commitment to assist the development of democracy abroad. They are George Soros, who needs no introduction, but I will do it anyway because there may be those who are unfamiliar with the extent of his philanthropic efforts to advance open society in parts of the world that were formerly ruled by dictatorial regimes. His Open Society Fund is doing superb work in the former Soviet Union and Eastern Europe and I look forward to

hearing his insights into recent events in that part of the world.

I am also pleased to welcome our distinguished witnesses Patricia Keefer, of the National Democratic Institute for International Affairs, and R. Bruce McCollm, of the International Republican Institute. Their analysis of what U.S. assistance can accomplish, what it is accomplishing, and what lessons their organizations have learned will be of great interest and use to this Subcommittee, which has oversight jurisdiction over U.S. Government democracy programs.

We will start with Mr. Soros, but before we begin let me turn to my distinguished colleague, Mr. Bereuter of Nebraska, for any opening remarks he would like to make.

Testimony of

George Soros

Regarding

Building Open Societies:
The Promises and the Pitfalls

before the

U.S. House Committee on Foreign Affairs

Subcommittee on

International Security, International Organizations and Human Rights

August 1, 1994

CONGRESSIONAL TESTIMONY

I welcome this opportunity to testify before your committee on the dangers of the post communist world. I feel reasonably well qualified to speak on the subject and I have a great deal to say — perhaps too much for this hearing.

I have devoted much of my time, energy, and money to Central and Eastern Europe and the former Soviet Union in the last five years because I believed that the collapse of the Soviet system was a historic, revolutionary event and that the outcome would shape the course of history.

I have established a network of foundations whose aim is to help and promote the transition from a closed to an open society. Actually, I set up the foundation in 1979 and started the first local operation in my native Hungary in 1984 but my involvement increased as the collapse of the Soviet system accelerated. There are now foundations operating in 23 different countries and my annual contributions have risen from 3 million dollars in 1979 to 300 million dollars in 1993 — but the amount of dollars spent is not the best indication of the efficacy of the operation because some of the best projects take the least money.

At the time I became involved, communist dogma had given rise to a closed society in which the state was dominated by the party and society was dominated by the state. The individual was at the mercy of the party-state apparatus.

Communist dogma was false exactly because it was a dogma which claimed to incorporate the ultimate truth. It could be enforced only by doing a great deal of violence to reality and, even then, it could not be sustained indefinitely. The gap between dogma and reality became ever more evident — the sway of dogma over people's minds ever more tenuous — until, eventually, the regime collapsed in a rapidly accelerating fashion that amounted to a revolution.

There was a moment of euphoria, in 1989, when people felt liberated from an oppressive regime and that moment could have been used to set into motion the transition to an open society. That was the opportunity I saw which induced me to throw all my energies into the process. But I must now admit that the moment has passed and the opportunity has been missed.

The breakdown of a closed society does not automatically lead to an open society, because open society is a more advanced, more sophisticated form of organization than a closed one. Freedom is not merely the absence of repression. A society in which people are free requires institutions which protect freedom and, above all, it requires people who believe in those institutions. The institutions themselves need to be much more sophisticated because they must allow for the expression of different views and interests, whereas a closed society recognizes only one point of view, the ruling one. In short, the transition from a closed to an open society is a step forward and upward and it cannot be accomplished in one leap without a helping hand from the outside. That was my motivation for getting so involved. But the open societies of the free world were not similarly motivated. There was a lot of good will towards Eastern Europe at the time but somehow it was not translated into effective action. Government policy, both in Europe and in the United States, was characterized by a singular lack of comprehension and lack of vision.

Compare the reaction to the collapse of the Soviet Empire with the collapse of the Nazi Empire. Then, the United States still had the vision, and the generosity, to engage in the Marshall Plan, and the Marshall Plan worked wonders. It did not merely provide assistance, it provided a framework for the countries of Europe to cooperate. It did not merely send technical experts to impart their wisdom, it brought large numbers of Europeans to the United States and allowed them to form their own agenda. We seem to have forgotten all

these positive experiences. By the time the Soviet Empire collapsed, there was no political support for any kind of large-scale assistance and the Marshall Plan had become a dirty word.

In the absence of Western leadership, the collapse of the Soviet system did not lead to the emergence of open societies. Moreover, there can be no assurance that what was not accomplished in the heat of the revolutionary moment would be attained by a slower, more laborious process. On the contrary, insofar as a pattern is emerging, it is pointing in the opposite direction.

The breakdown of a closed society based on the universal dogma of communism has led to a widespread rejection of all universal ideas and the countries which used to constitute the Soviet empire are trying to find an organizing principle in their own particular history. There are, of course, exceptions to the rule but the dominant theme which seems to be emerging is national or ethnic identity rather than any universal concept such as democracy or human rights or the rule of law or open society.

This creates a very dangerous situation because national grievances can be exploited to form more or less closed societies and that is a recipe for conflict. In order to mobilize society behind the state, you need an enemy and, if you do not have one, you have to invent one. That is what Hitler did when he identified Jews as the enemies of the German Volk and he has many imitators in the post-communist world. Unfortunately, there is no shortage of grievances because communist regimes used to suppress all national or ethnic aspirations which did not suit their purposes.

Although some of the nationalist leaders are former dissidents, former communists are usually more adept at exploiting national sentiment because they understand better how to operate the levers of power. They can forge greater national consensus than democratic leaders striving for an open society. Look at Milosevic in Yugoslavia, Tudjman in Croatia, Meciar in Slovakia, and Kravchuk in Ukraine, and compare the kind of majorities they could muster at the height of their popularity with the narrow political base that pro-Western democratic governments had to contend with in countries like Russia, Poland, Bulgaria, or Macedonia.

In this context, I do not find the recent electoral victories of former communist parties in countries like Hungary, Poland or Lithuania disturbing at all. These are reform communists who want to get away from communism as far as possible. Their re-emergence constitutes a welcome extension of the democratic spectrum. I am particularly pleased with the outcome of the recent elections in Hungary. The nationalist line was rejected by the electorate; and the fact that the Socialist party entered into a coalition with the Free Democrats on the basis of a well-conceived and well-articulated reform program augurs well for the future. In the case of Poland, the changeover is less fortunate because the radical and painful reforms undertaken in 1990 had just begun to bear fruit and the government had just begun to function properly when it was defeated. But the course of reform is irreversible and Poland is probably the most dynamic country in Europe today, both in terms of its economy and its spirit. The worst that can happen is that it loses some momentum.

All in all, I see hardly any chance of a reversal to communism. Communism as a dogma is well and truly dead. The real danger is the emergence of would-be nationalist dictators — I call them "NADIs" for short. They are playing in a field that is definitely tilted in their favor. It is much easier to mobilize society behind a real or imagined national injury than behind an abstract idea like democracy or open society. Building open society is essentially a constructive process and it is only too easy to use ethnic conflict to undermine the foundations of open society.

Take the case of Yugoslavia. It was a relatively prosperous country which had been open to the West for twenty years and had developed the intellectual resources which are needed for an open society. I

remember 1990, when monetary reform was introduced in Yugoslavia and Poland at the same time. Yugoslavia was much better prepared to carry it out. It had a group of people who had been trained by the IMF and the World Bank, and the reform was, in fact, much more successful than in Poland. That was in May, 1990. Then Milosevic raided the treasury in the course of his electoral campaign and destroyed monetary stability. That was the end of the attempt to transform Yugoslavia into an open society.

And now we have an even more striking example: Greece. Here is a country that is a member of the European Union, of NATO, fully integrated into the international community. Yet it has been possible to whip up national sentiment to a frenzy over the name "Macedonia." A small and weak neighbor to the north is blown up into a threat to the territorial integrity of Greece. Admittedly, there is a minority in Macedonia which harbors irredentist dreams based on ethnic injuries suffered in the past. But the government of Macedonia is genuinely devoted to the creation of a multi-ethnic, democratic state. It is ready to make every concession short of giving up its own identity. But Greek public opinion resonates to the Macedonian extremists, not to the Macedonian government, and the issue has been exploited for domestic political purposes in Greece.

In the meantime, the Macedonian economy, already severely damaged by the sanctions against Serbia, is collapsing under the weight of the Greek embargo. The railroad connection runs north and south, and Macedonia is cut off on both sides. As a result heavy industry, which relies on rail transportation, has been brought to a standstill. The economic crisis is endangering political stability. The multi-ethnic, democratic coalition is threatened by extremists on both the Slavic-Macedonian and the Albanian sides. It may easily fall apart in the next elections and, if Macedonia falls apart, we have a third Balkan war.

As you can see, there is plenty to worry about in Eastern Europe. When I embarked on my project, I was planning a short-term campaign to seize the revolutionary moment and to provide an example that would be followed by the more slowly moving, more cumbersome institutions of our open societies. But I was sadly mistaken. Now I must think in biblical terms — forty years in the wilderness. The battle for open society is not lost, as the examples of Poland and Hungary demonstrate, but it will take a long time and a lot of help from the outside and that is what I'm worried about.

I have always been aware of a fatal weakness in the concept of open society. The weakness is that people living in an open society do not even recognize that they are living in an open society, let alone treat open society as a desirable goal for which it is worth striving and making sacrifices. In one way, freedom is like the air: people struggle for it only when they are deprived of it. When it is there, they ignore it. But, in another way, freedom is very different; if you do not care for it, and do not protect it, it has a tendency to disappear.

If there is any lesson to be learned from the revolutionary events we have witnessed in Eastern Europe since 1989, it is that freedom is not merely the absence of repression, and the collapse of a closed society does not automatically lead to an open society.

The trouble is that this lesson has not been learned. When the Soviet empire collapsed, we had no hesitation in declaring it a victory for the free world. But, equally, we had no inclination to make any sacrifices for the sake of establishing a free and open society in that part of the world. The consequences are now painfully obvious, but we have not even started to recognize them.

What has gone wrong? I believe our concept of freedom has changed. In the Second World War, it was promoted into an idea that we were ready to fight for and to sacrifice for. And the idea as it was then conceived involved freedom not only in our own country, but also in the countries which were the victims of a totalitarian regime. This conception carried over into the post-war period. It was responsible for the

dismantling of colonial regimes and the forging of an anti-communist alliance.

But gradually the idea faded and another idea emerged which explicitly rejected the pursuit of freedom as a valid objective of foreign policy. That idea was "geopolitics," which maintained that states ought to pursue their own self-interest as determined by their geopolitical situation, and moral or ethical considerations have only a secondary role to play. They can be useful for propaganda purposes — mobilizing public opinion at home or abroad — but you can get into a lot of trouble if you actually believe your own propaganda.

The companion piece to geopolitics in international relations was the concept of *laissez-faire* in economics, which enjoyed a miraculous revival in the 1980s. As you know, it holds that the unhampered pursuit of self-interest leads to the best allocation of resources. These have been the two main concepts which have guided us in our response to the collapse of the Soviet system and which continue to guide us today. I find that they are woefully inadequate for the situation at hand.

As long as we were locked in deadly combat with the Evil Empire we lived in a stable world order and we had a clear view of our place in the world. The world order was stable because both sides had the capacity to destroy each other and therefore neither side could risk all-out war. And we could define ourselves in terms of our enemy: we were the leaders of the free world. But the stability of the world order has been destroyed by the internal disintegration of Soviet empire and, what is worse, we have lost our sense of identity. We still want to be a superpower and leader of the free world but we do not know what these terms mean. We do not know what the free world stands for and, what is worse, we don't know whether we should stand for the free world because we have come to believe that our way of life is based on the pursuit of self-interest, as exemplified by the doctrines of geopolitics and *laissez-faire*.

In some ways the present situation is unprecedented. In the past, peace and stability have been maintained either by an imperial power or by a balance of powers or by a combination of the two. Right now, we do not have either. The United States does not have the capacity, nor the interest, to dominate the world the way Britain did in the 19th century. Britain derived enough benefit from free trade to justify maintaining a fleet in being; but the United States is no longer the main beneficiary of free trade and it cannot afford to be the policeman of the world. We must depend on collective action but we have no clear idea what the collective interest is. The result is a dangerous power vacuum. There was some hope that it would be filled by the United Nations, but the United Nations is no better than the states that constitute it; indeed, it is worse, because the member states generally pursue their own national self-interest, to the detriment of the collective interest; and it is managed by a bureaucracy that is more interested in its own survival than in the survival of our civilization. There has been no instance in history when peace was maintained by an international institution and there is no reason to believe that the current situation will be any different.

What is to be done? I don't have all the answers, but I have a suggestion which may help. I propose that we should declare the creation and preservation of open societies as one of the objectives of foreign policy and in the case of the former Soviet sphere we should declare it as the main objective. I draw a distinction between the former Soviet sphere and the rest of the world because the Soviet system has irretrievably broken down; what system takes its place will have a profound influence on the course of history and therefore on our own future. In the rest of the world, the promotion of open societies is one of many competing objectives, but in the former Soviet sphere it is of paramount importance. In my opinion even the nuclear issue ought to be subordinate to it.

When I speak of open society I mean a form of organization that can be loosely described as democracy. But the concept of open society is more comprehensive. It means not only a democratically elected

TESTIMONY OF
R. BRUCE McCOLM, PRESIDENT
INTERNATIONAL REPUBLICAN INSTITUTE

Before

SUBCOMMITTEE ON INTERNATIONAL SECURITY, INTERNATIONAL
ORGANIZATIONS AND HUMAN RIGHTS

HOUSE COMMITTEE ON FOREIGN AFFAIRS

August 1, 1994

INTRODUCTION

Mr. Chairman, thank you very much for inviting me to testify before the Committee on the role the International Republican Institute has played in promoting democratic principles and institutions during the last decade, a decade of unprecedented global change.

Since the International Republican Institute (IRI) first offered assistance to democratic reformers in Grenada in 1984, it has been in the vanguard of democratic development around the world. IRI heeded President Reagan's call "to foster the infrastructure of democracy, the system of a free press, unions, political parties, which allows a people to choose their own way, ...to reconcile their own differences through peaceful means." For ten years, IRI has worked to nurture political parties and movements; train candidates and managers; develop messages, platforms, and election codes; teach speaking skills and media relations; build networks of like-minded politicians--in short, to help instill the techniques and institutions of multi-party democracies.

OVERVIEW

In the past 18 months, IRI's priorities have undergone dramatic reappraisal and change. IRI has adopted a limit on staff and budget growth, and an emphasis on targeted programming.

In deciding the location and nature of projects, IRI takes into account present or historical U.S. national interests, and our ability to effect change and achieve concrete results. As contractual obligations on programs initiated by early 1993 are completed, IRI has strengthened efforts in some nations, such as Russian and South Africa, initiated programs in a few, such as China and Ukraine, and ended large programs in a number of nations, such as Guinea-Bissau and Lesotho.

In 1995, almost one-third of IRI's 1995 budget will be spent in the Commonwealth of Independent States. With a large increase in spending, Eastern and Central Europe will be IRI's second largest area of concentration. This largest, with stable spending, will be in Latin America. Fourth, with decreased spending, will be Africa. Asia and the Middle East round out IRI's programming, while both areas are important to the United States, IRI's management believes larger amounts than those planned could not be spent effectively in those areas.

In early 1993, IRI conducted programs in 45 nations; by the end of 1994, IRI expects to conduct programs in approximately 32.

PROGRAMS

Two-thirds of IRI's programs involve training political parties abroad. IRI believes that political parties are an essential outlet for non-violent political expression in a society. Beyond training political parties in campaign and organizational techniques, IRI has worked to increase the participation of disenfranchised groups, such as women, youth and indigenous peoples, in political parties and in the political process itself. Other IRI programs include:

- civic education, to inform voters of their rights and responsibilities in a democratic society;
- election administration assistance and pollwatcher training, to increase the integrity of balloting processes;
- parliamentary and local government assistance, to improve the ability of elected democrats to help govern their nation, and to increase the independence of legislatures in closed societies;
- institution building, to aid in the development of non-governmental organizations as an intermediary between the government and the population;
- rule of law programs, regarding human rights and economic injustices such as corruption;
- economic programs, designed to empower private entrepreneurs; and,
- in a decreasing number of cases, election observation to assess pre-electoral environments and the conduct of voting.

To help ensure the ability of democrats abroad to implement lessons learned, IRI has established a number of offices abroad to provide constant democratic training and advice. In-country staff also aid IRI's efforts to customize programs to promote democracy in the context of local sensitivities and traditions.

In deciding the place and nature of programming, IRI coordinates with other democratic development organizations, including the National Endowment for Democracy (NED), the National Democratic Institute (NDI), the Center for International Private Enterprise (CIPE), the International Foundation for Electoral Systems (IFES), the African American Institute (AAI), and the Asia Foundation. IRI also has initiated contacts with democratic development

organizations in Austria, Great Britain and Germany in an effort to coordinate programs. IRI conducts a number of joint programs with NDI, and this summer, IRI is planning to begin its first joint program with Great Britain's Westminster Foundation, in Poland.

AFRICA

IRI's efforts are concentrated in southern and eastern Africa, the regions most susceptible to democratic transition. IRI's programs attempt to address the traditional absence of fair electoral codes and organized political parties. IRI's largest programs are a joint effort with NDI in South Africa, and a program in Mozambique.

ASIA

IRI conducts two distinctly different types of programs in Asia, an area of growing economic and political importance to the United States. In some nations, dictatorships remain firmly in place, and IRI has taken varying approaches to empower those determined to bring pluralism to their societies. Other Asian nations have begun a transition to democracy, and IRI has worked to train political parties, parliamentarians, and ordinary citizens about their roles in a democratic society. IRI's Asia funding is concentrated in China and in a joint program with NDI in Cambodia.

COMMONWEALTH OF INDEPENDENT STATES

IRI's efforts focus on Russia and Ukraine, nations whose democratic transitions are of paramount importance to the United States. In Russia, IRI has a four-part program designed to improve the ability of the national and local legislators to govern, enhance democratic party campaign skills, and ensure the integration of women and young adults into the democratic process. In Ukraine, IRI is working to improve the governance skills of democratic legislators, and the campaign skills of democratic political parties.

EASTERN AND CENTRAL EUROPE

IRI's main task in Eastern and Central Europe is to enhance the governance skills of democrats in power, and help democratic political parties recapture gains lost in recent elections. In addition, IRI is working to aid democrats caught in the conflict in former Yugoslavia. IRI's funding is concentrated in Bulgaria, Romania, successor states to the former Yugoslavia and Lithuania.

LATIN AMERICA

With a decade of democratization in Latin America, narrowly defined political party training programs are often less important than governance training. IRI has been involved in efforts to promote political acceptance of economic reform, to integrate traditionally disenfranchised groups into political processes, and to ensure improved conduct of elections in Central America. IRI also is conducting an innovative program to help political dissidents in Cuba, and has been engaged in a program to help bring democracy to Haiti.

MIDDLE EAST

IRI's Middle East programs are designed to enhance processes of democracy in a number of nations undergoing transition. Parliamentary programs in Kuwait and Morocco are increasing the independence of those legislatures, and IRI's programs in Turkey and the West Bank are intended to directly increase the power of the citizenry.

RESULTS

While some argue that "democratization" is inherently unquantifiable, IRI believes that results can be measured in countries undergoing democratic transitions.

Achievements include fairer election codes and balloting procedures, greater popular political participation, including the empowerment of previously disenfranchised groups, more proficient democratic political parties, the election of democrats, and successful governance by democrats in power. In nations that have not yet begun a transition to democracy, IRI seeks to hasten the onset of democracy by increasing the power of those favoring pluralism.

Among IRI's successes:

- *** In Russia, scores of IRI-trained men and women became reformist campaign managers, campaign workers and parliamentary candidates in the December 1993 elections. In the fifteen Russian cities where IRI concentrated its programming, a dozen IRI-trained candidates won their parliamentary races. IRI-suggested changes in Russia's electoral law have also been adopted, decreasing opportunities for fraud by those opposed to the nation's democratic transition.
- *** IRI's party training program for victorious democrats in Cambodia was so successful that the former communist party sought IRI assistance after its defeat in the May 1993 elections. United Nations officials termed IRI's civic education effort, conducted in all but the most war-torn Cambodian province, a "unique and significant contribution" to the 94 percent voter turnout. Cambodia's democratic transition ended decades of civil war, and was a key element in opening the region for American investment.
- *** In 1992, IRI-trained candidates became the Presidents of Bulgaria and Albania. Both claim they would not have won without IRI's assistance. In Bulgaria, Zhelu Zhelev became President after his Union of Democratic Forces, itself the recipient of over a year of IRI training, beat the communist-successor Bulgarian Socialist Party. In Albania, Sali Berisha became President after his Democratic Party, itself the recipient of a year of IRI training, won in a landslide over the communist-successor Socialist Party. Both have gone on to liberalize their nations' economies, and to work with the United States on a number of international issues.

- *** In Nicaragua, IRI trained democrats in their 1990 campaign to oust the Sandinistas, and worked to convince Nicaraguan voters that their ballot was secret. Most observers say the program was pivotal in the Sandinista defeat that ended over a decade of Marxist rule in Nicaragua.
- *** IRI-sponsored polls in Chile accurately predicted the extent of the General Pinochet's loss before the 1988 plebiscite, and were used in the U.S. diplomatic effort to ensure a smooth transition to democracy.

FUNDING

IRI'S 1994 BUDGET COMES FROM FOUR SOURCES:

NATIONAL ENDOWMENT FOR DEMOCRACY (NED): In 1994, IRI anticipates receiving about \$3.9 million in NED funding, to be used primarily in Latin America, Asia and the Commonwealth of Independent States.

AGENCY FOR INTERNATIONAL DEVELOPMENT (AID): In 1994, IRI anticipates receiving about \$6 million in grants directly from AID, for use primarily in the Commonwealth of Independent States and Eastern Europe, with the remainder being spent in South Africa, Cambodia, Haiti, Nicaragua and El Salvador.

AID/AFRICAN REGIONAL ELECTORAL ASSISTANCE FUND (AREAF): In 1994, IRI anticipates receiving about \$1 million in AID funding through AREAF grants. Under the AREAF mechanism, IRI, the National Democratic Institute and the African-American Institute, with AID concurrence, jointly approve programs designed to further democratic processes in Africa.

PRIVATE FUNDING: In the first year of concerted fundraising in its history, IRI, by the summer of 1994, had received almost \$100,000 from Board Members, corporations and individuals.

IRI has stringent internal financial controls, and is audited annually by Arthur Anderson. The United States Information Agency also conducts annual audits of IRI's finances. Additional periodic audits have been conducted by the Agency for International Development and the General Accounting Office.

OBSTACLES WE FACE

Aiding pro-democratic reformers is a noble effort, and it is an ongoing one. Yet, the world remains an exceedingly difficult and dangerous place. The resurrection of ancient conflicts and barbarism from Burma to the Balkans, the reappearance of irrational nationalism, the appeals

to perverse patriotism, and the severe economic plight of millions of people remind us that we much be steadfast in our purpose.

To promote and encourage democratic transitions and to consolidate and expand democratic gains is the challenge for IRI's second decade. IRI accepts that challenge as an opportunity to strengthen democratic ideals and institutions and to help build a more free, peaceful, and secure world.

CONCLUSION

Mr. Chairman, I thank you for this opportunity to meet with the Committee and discuss with you how IRI has contributed to reaching our common goal of securing a more democratic and peaceful world.

STATEMENT BY

PATRICIA J. KEEFER
SENIOR ASSOCIATE

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS (NDI)

BEFORE THE
HOUSE FOREIGN AFFAIRS SUBCOMMITTEE
ON

INTERNATIONAL SECURITY, INTERNATIONAL ORGANIZATIONS, & HUMAN RIGHTS

AUGUST 2, 1994

Mr. Chairman, on behalf of NDI Chairman Paul Kirk, President Kenneth Wollack, and the Institute's Board of Directors, I want to thank the Committee for providing me this opportunity to comment on U.S. efforts to promote and support democracy abroad.

Democratic Values, American Self-interest

NDI has firmly believed that the United States should attach the highest priority to democratic development as an instrument of foreign assistance and human rights policy.

Democratic values were not generalities to our founders; they were crystal clear truths about the only sensible way to reconcile institutions of government with human nature. They remain specific, rational beliefs today. Democracy requires not merely the legitimacy of democratic forms, but working democratic structures: legislatures that represent the electorate and oversee the executive; elections in which the voters actually choose their leaders; judiciaries, steeped in the law, that are independent of outside influences; a system of checks and balances within society; and institutions and leaders that are accountable to the public.

The democratic revolution of the past 10 years demonstrates that the appeal of those values is nearly universal. The United States continues to play a unique leadership role in the promotion of these values. At the same time, we also realize that nothing better serves the interests of the United States -- economic, political, ideological -- than the promotion of democratic practices and institutions.

The notion that there should be a dichotomy between our moral preferences and our strategic goals is a false one. Our ultimate foreign policy goal is a world that is secure, stable, humane and safe, and where the risk of war is minimal. Yet the undeniable reality is that geostrategic "hot spots" most likely to erupt into

violence are found, for the most part, in areas of the world that are nondemocratic or where governments are anti-democratic.

A democracy remains viable at home by resolving conflicts within society nonviolently and through compromise. Thus, it carries with it a predisposition to seek solutions abroad that are neither violent nor maximalist. This is not to say that democracy is a perfect insulator against conflict, or that if all nations were democracies, ancient enmities would disappear. They would not. The question, however, is whether war would still be the preferred method for resolving conflict between two democratic adversaries.

Economic Development vs. Political Development

The fall of communism demonstrated that democratic political systems and free-market economies are two parts of the same process, sustaining each other. Where guarantees of individual rights within a society do not exist, the inevitable result is exploitation, stratification, disorder and the inability to compete. This is essentially true in a world where ever more nations are embracing democratic principles.

In the past, the United States has hoped that development aid could achieve the kind of economic growth and opportunity that leads to social stability and peaceful competition. Even when successful, this emphasis on economic growth often lost momentum because it was not accompanied by political growth. It has become increasingly apparent that an ever growing number of problems in the developing world are beyond the reach of traditional economic aid because, while they have economic consequences, the problems are not fundamentally economic, but political, in nature. In the development sphere, what ultimately differentiates nations is not the nature of their problems but, rather, the ways in which they resolve them. Truly sustainable development, requires the capacity to resolve problems without a resort to violence or repression, in a way that ultimately adds to the stability of society and enhances the ability of the nation to address future problems.

Even from the traditional foreign assistance perspective, the establishment of democratic institutions is the best way to assure sustainable development. Rural dislocation, environmental degradation and agricultural policies that lead to famine all trace to political systems in which the victims have no political voice, in which government institutions feel no obligation to answer to the people, and in which special interests feel free to exploit resources without fear of oversight or the need to account.

In the former Soviet Union, for instance, if efforts at econo-

mic restructuring fail, political reform is likely to collapse. And without restructured political institutions, economic reform is unlikely to succeed. To pass through the current crisis, reformers in the former Soviet Union will have to build up their fledgling democratic institutions and develop a broader political coalition.

This is not simply a defense mechanism for the avoidance of chaos in former Soviet states. The development of a multitude of pluralistic institutions is an essential part of the evolution of a democracy. These institutions diffuse power and legitimacy from the center without diminishing it -- an important concept in a state like Russia.

Democratic Change

The most significant pressure for democratic change comes from within. International reaction only becomes meaningful after domestic forces have created a critical degree of expectation inside the country and awareness beyond its borders. Even then, democratization rarely results from popular revolution.

The transition to democracy most often commences with concessions made by a ruling oligarchy under internal or external pressure. Such ruling authorities provide openings for limited democratic practice by making compromises in pursuit of self-perpetuation, domestic tranquility or international legitimacy. It is this last goal -- legitimacy -- that has become so important in a world transformed by interdependence, connected by the electronic media and sensitized to the specifics of human rights.

Each time a democratic institution takes root, each time a new democratic government addresses old problems with peaceful methods, the rationale for democratic solutions is strengthened and democratic forces encouraged and sustained. This in turn makes it harder for autocrats to arrogate legitimacy to themselves, or to operate as if in a political vacuum. Successful steps towards democracy in one country also are conducive to democratic transition in other, particularly neighboring, countries.

Multinational approach and volunteer network

A key to promoting democracy efficiently in a world of limited resources is international cooperation. The United States is a model for democracy, but it is not, nor should it be the model. The United States is an exporter of democracy, but the cause of democracy is best served when we are but one exporter among many. We have been most successful at NDI when we have joined with others to share practical democratic skills. We have found, not surprisingly, that Latin Americans listen closely to other Latin

Americans who have been through a democratic transition, just as Africans appreciate other African experiences and Eastern Europeans respond to neighbors from their region.

But cultural affinity is but one element of successful democracy-building. As a practical matter, peoples attempting to make the transition to democracy require diverse skills and experiences. The insights of democrats from other nations are often more relevant than our own.

Americans have no real experience with a transition from auto-cracy to democracy, but Latin Americans and Europeans now do. Americans understand parliamentary systems but our congressional experience is often not directly applicable. Yet there are scores of experts in other nations, many of them members of parliaments, who have grown up in parliamentary systems and who are eager to share their understanding of how parliamentary democracy works.

Cooperative approaches such as these are not merely a matter of common sense. They convey a deeper truth to nations attempting a transition to democracy: that they are not conceding something to the United States when they develop democratic institutions; rather, they are joining a community of nations. That other nations have traversed the same course. That while autocracies are inherently isolated and fearful of the outside world, democracies can count on natural allies and an active support structure. That other nations are concerned and are watching -- something that would-be autocrats will bear in mind.

NDI from its inception has structured its programs to be multinational. Our experience has been that would-be recipients in other nations come to us with specific requests-- for election assistance, for help with civic organization or party-building, for training in municipal or parliamentary reform. Each program is tailored to meet the political needs and cultural sensibilities of the nation where it will take place.

NDI then will call on experts -- political party practitioners, civic organizers, election officials, legislators -- from its network of more than 500 volunteers around the world, to donate their time and expertise. A typical training program will involve experts from half a dozen countries. Election monitoring missions often bring together citizens of a dozen or more countries. The international nature of these programs sends a powerful message about the larger concerns of the community of democratic nations. This approach also reinforces the message that there is no ideal democratic system, although certain core principles are shared by all democracies.

THE GOVERNMENT VS. NGOS IN DEMOCRATIC DEVELOPMENT

While governments can set the tone and foreign aid can provide needed resources for democratic development, much of the real work must be done by nongovernmental organizations. Groups such as NDI are capable of assuming responsibility, yet are not constrained by the stringent rules of diplomacy. NDI activities are relatively free from the need, imposed on representatives of the U.S. government, to take into account the full range of official interests and bureaucratic purviews. NGOs can readily share information, knowledge and experiences that will be valuable to individuals and groups who are pursuing or consolidating democracy, sometimes without the cooperation or sanction of their government.

Direct U.S. Government involvement

Several considerations suggest that the direct role of U.S. governmental agencies in democratic development programs should be minimized in many situations. In countries where one of the issues being addressed is the paucity of autonomous civic and political institutions, the fundamental idea that government ought not control all aspects of society is undermined by a too-visible U.S. government hand in the development and implementation of these programs.

As host governments will at times be unenthusiastic about efforts to diversify political power (formal and informal) among parties and sectors of society, pressures will be placed on the U.S. government to curtail support for diverse groups of competing interests. To the extent that particular embassies and missions abroad can state with authority that the U.S. government does not seek to control American NGOs, bilateral governmental cooperation can (to some extent) be separated from democratic development programs.

NGO initiatives must grow out of the needs of democrats struggling on the ground in the host country. The work should always be in the open and should be conducted with partners committed to pluralism and nonviolence. These activities require governmental resources, but it cannot be undertaken under the direction of government, except in the broadest sense. Organizations such as the National Endowment for Democracy, with its private board of prominent citizens, are free from affiliation with a particular administration, and thus can promote democratization without suspicions arising that narrower interests are the real motive.

Unlike governments, NGOs can receive more cooperation from non-American participants in international efforts to promote democracy. Many of the international experts who participate in NDI programs would be less willing to do so if their participation was directly sponsored by the U.S. government.



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Consultation and Accountability

While private American organizations working in this developmental field should not be agents of the government, consultation is necessary with both Congress and the Executive Branch. NDI consults closely with the State Department and U.S. embassies abroad. Indeed, many requests for NDI programs are generated by U.S. overseas missions. The State Department reviews all NED-funded program proposals. If public funds are used, public disclosure, openness and accountability must prevail.

Promoting a pluralistic approach to democracy promotion

There are those who have argued for a more centralized democracy promotion effort by the United States. However, just as the strength of American democracy depends on the continuing contributions of thousands of different perspectives competing in the marketplace of ideas, so should democratic development programs rely on a healthy variety of approaches and styles of operation.

Many of the countries in which these programs are conducted are burdened by overly centralized political and governmental processes that are frequently inaccessible and unresponsive to the public. Indeed, one of the major themes of democratic development programs is to encourage and enable citizens and public officials alike to be comfortable with choice, diversity and peaceful change. This lesson should be conveyed not only as a topic for discussion in specific activities. It should be manifest in the panoply of American organizations participating in officially supported democratic development programs. Each possesses a unique institutional personality and represents a different facet of American culture and political appeal. In promoting a general appreciation of democratic politics, it is advantageous to have numerous envoys or messengers, each of whom may be able to establish relationships of trust and confidence with various actors in other countries.

A principal theme that should characterize all U.S.-supported programs is that there is not just one method or program that "builds democracy". An artificially homogenized or consolidated approach runs the risk of stifling creativity and missing opportunities that may be apparent to some actors, but not immediately to all. Pluralism in the promotion of pluralism more truly reflects the best in American culture -- and demonstrates clearly that tolerance of diversity at every level is a vital aspect of a democratic society.

CONCLUSION

When compared to other governmental programs whose purpose is to defend U.S. interests after international crises have occurred, support for the democratic process abroad is a small and wise investment. Democracy support serves American interests by helping prevent conflict and violence, promoting a more peaceful and stable world environment.

It is far less expensive to aid friendly democracies than it is to defend against hostile dictatorships or rescue crumbling anarchies. The dollars spent for democracy-building is far less than the funding for peace-keeping or military operations.



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